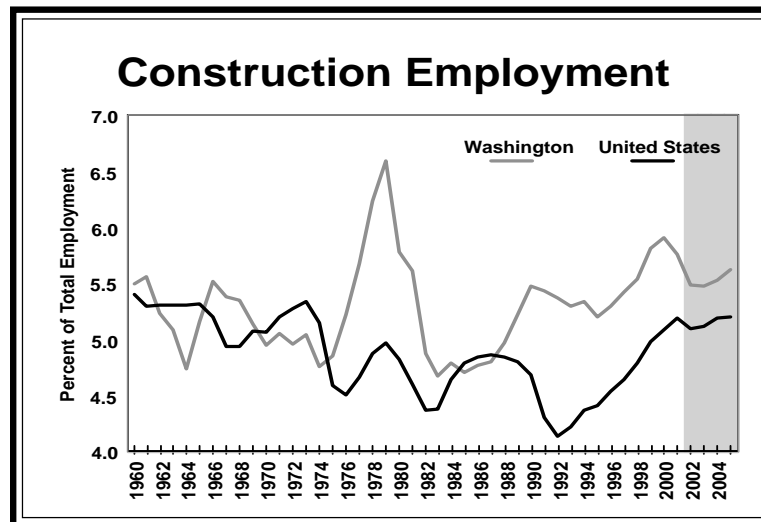


Washington Economic and Revenue Forecast



June 2002
Volume XXV, No. 2

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Explanation of the Cover Graph

The cover chart shows Washington and U.S. construction employment as a share of total payroll employment. Washington largely avoided the severe downturn the U.S. experienced in the early 1990s as the state's economy and population continued to grow throughout the last recession. This time, though, the downturn in Washington began earlier and has been much more severe than the national contraction. According to our forecast, the decline from the previous peak to the expected trough in the third quarter of 2002 in Washington will be 10.5 percent, more than 3 times the 3.1 percent reduction in U.S. construction employment. The slowdown in housing construction is only a part of the story. Nonresidential construction has been hammered by the recession and dot-com meltdown, particularly in the Seattle area. According to OfficeSpace.com, office space under construction in the Puget Sound region fell by more than a third from March 2001 to March 2002. In spite of the slowdown in construction, vacancies continue to rise and rents continue to fall. At least we should fare better than in the early 1980s when a very severe local recession combined with the collapse of the Washington Public Power Supply System (WPPSS) produced a 32.9 percent plunge in Washington construction employment.

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Washington Economic and Revenue Forecast

Prepared by the
Office of the Forecast Council

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Preface

The Office of the Forecast Council is required by Chapter 231, Section 34, Laws of 1992 (RCW 82.33.020) to prepare a quarterly state economic and revenue forecast and submit it to the Forecast Council. This report presents the state's economic and General Fund-State revenue forecast. It is issued four times a year.

Copies are available to Washington State businesses and residents for \$4.50 per copy, and to those out-of-state for \$9.00 per copy. You may contact our office for more subscription information at (360) 570-6100 or by writing the Office of the Forecast Council, Post Office Box 40912, Olympia, WA 98504-0912.

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Executive Summary

U.S. Economic Forecast

The June 2002 economic and revenue forecast incorporates the advance GDP estimate for the first quarter of 2002. According to the advance estimate, real GDP rose at a strong 5.8 percent in the first quarter though most of the growth was due to a sharp reduction in the pace of inventory de-stocking. Still, the 2.6 percent growth rate for final sales was healthy particularly in light of the sharp decline in motor vehicles and parts. Auto sales had ballooned in the fourth quarter as a result of special financing incentives. The first quarter retrenchment was expected. Consumers and government continued to support the expansion in the first quarter. Personal consumption expenditures increased at a 3.5 percent rate in the quarter in spite of the decline in auto sales. Government spending soared at a 7.9 percent rate led by a 19.6 percent increase in defense spending. Fixed investment declined only a slight 0.2 percent in the first quarter, which was a vast improvement over the previous three quarters. The continuing drag from foreign trade worsened, however, as a 15.5 percent increase in imports overwhelmed a 6.8 percent rise in exports.

Despite the strong GDP growth in the first quarter of 2002, payroll employment fell at a 0.9 percent annual rate and the unemployment rate held steady at 5.60 percent. The Consumer Price Index rose only 1.4 percent in the first quarter compared to a 0.3 percent decline in the fourth quarter of 2001 but core inflation (excluding food and energy) declined slightly to 2.3 percent from 2.7 percent. Housing starts soared at a 39.2 percent rate to 1.715 million units in the first quarter but this was the result of unusually warm weather. An offsetting decline is expected in the second quarter. The mortgage rate edged up to 6.97 percent in the first quarter from 6.78 percent in the fourth quarter. At its May meeting, the Federal Reserve held the federal funds rate target at 1.75 percent.

Though U.S. GDP growth was far stronger than expected in the first quarter of 2002, the strength was largely concentrated in inventories. The June GDP forecast for the remainder of 2002 as well as for 2003 is slightly weaker than assumed in February while growth in 2004 and 2005 is virtually identical to the previous forecast. On a calendar year basis, the forecast expects GDP growth to improve from 1.2 percent in 2001 to 2.5 percent in 2002, 3.6 percent in 2003, and 3.9 percent in 2004 before settling back to 3.0 percent in 2005. The nation's unemployment rate, which was down to 3.97 percent in the fourth quarter of 2000, is expected to rise to 6.10 percent by the second quarter of 2002. The unemployment rate is expected to decline in the second half of 2002 and throughout 2003 and 2004 as the economy recovers, reaching 5.00 percent by the end of 2004. Inflation, as measured by the implicit price deflator for personal consumption expenditures, is expected to decline from 1.9 percent in 2001 to 1.2 percent in 2002. The improvement in 2002 is mainly the result of lower energy costs, but the slumping economy should keep inflation moderate for the next few years. The forecast expects inflation rates of 2.3 percent in

2003 and 2.4 percent per year in 2004 and 2005. The forecast assumes that the Fed is done easing for this cycle and will begin raising its target rate at the August 13 meeting of the FOMC.

Washington State Economic Forecast

Washington payroll employment fell at a 1.8 percent rate in the first quarter of 2002 following a 4.2 percent plunge in the fourth quarter of 2001. This was the fourth consecutive quarterly decline in overall employment in Washington. The drop over the year totaled 2.6 percent for Washington compared to a 1.0 percent decrease in U.S. employment. Only twice in the last forty years has Washington seen a more precipitous decline: during the recessions of 1969-71 and 1981-82. Manufacturing employment fell at a 12.0 percent annual rate in the first quarter, the fifteenth consecutive decline in overall manufacturing employment excluding the impact of the February 2000 aerospace labor dispute. Aerospace employment plunged at a 26.4 percent annual rate in the first quarter following an 8.6 percent reduction in the fourth quarter as the first of the Boeing layoffs were registered. Aerospace employment had increased in each of the three previous quarters. Manufacturing employment other than aerospace fell at a 6.4 percent rate in the first quarter which was the mildest decline in a year and a distinct improvement over the 12.0 percent drop in the fourth quarter. Nonmanufacturing employment declined at a scant 0.3 percent annual rate in the first quarter of 2002, much better than the 3.2 percent drop in the fourth quarter. Most nonmanufacturing sectors continued to decline in the first quarter including construction (down 6.3 percent,) transportation, communications, and utilities (down 5.9 percent,) and services (down 1.8 percent.) Trade employment posted its first increase in a year, however, increasing at a 1.3 percent rate in the first quarter. Government employment and finance, insurance, and real estate employment continued to expand as they have throughout the recession, rising 3.2 percent and 1.8 percent respectively.

Washington's personal income in the fourth quarter of 2001 was \$1.532 billion (0.8 percent) lower than expected in the February forecast. Wage and salary disbursements were \$0.924 billion (0.8 percent) lower than expected in February even though software wages were \$0.536 billion (7.6 percent) higher. Fourth quarter wages outside the software sector were \$1.460 billion (1.4 percent) lower than previously believed. Nonwage personal income in the fourth quarter of 2001 was \$0.608 billion (0.8 percent) lower than in the February forecast.

The number of housing units authorized by building permit rose 1,800 to 36,200 in the first quarter of 2002 from a weak 34,400 in the fourth quarter. Single family permits increased 3,700 to 28,500 while the number of multi-family units authorized fell 1,900 to 7,700.

The state's economy now appears to be lagging behind the national economy by an even greater margin than expected in February. As expected, aerospace employment growth turned sharply negative in the first few months of 2002. In addition, employment in construction and transportation, communications, and public utilities continued to contract. Other cyclical sectors improved in early 2002, though. The decline in non-aerospace manufacturing slowed to a trickle while personnel supply services, computer and data processing services, and retail trade employment all turned up after suffering steep declines in 2001. As in February, we expect to see a gradual recovery in employment in Washington beginning in the third quarter of 2002. The aerospace forecast for Washington remains essentially unchanged since last November. We believe that the reductions have totaled about 14,000 so far, including contract workers and non-Boeing aerospace workers. The forecast expects another 4,500 by July after which the pace of the reductions will slow. The forecast assumes an increase in employment related to the construction of the nuclear waste vitrification plant at Hanford from the current level of about 2,500 to a peak of 4,500. Employment is expected to drop off sharply after the peak in mid-2004, reaching 2,500 by the end of 2005. The software

wage assumption reflects a lower stream of stock option income due to the decline in Microsoft's stock price. As in February, the forecast assumes there will be no major fluctuations in Microsoft stock option activity.

Wage and salary employment fell 0.5 percent in 2001 following a 2.4 percent increase in 2000. The combination of the national recession and severe cutbacks in aircraft manufacturing is expected to result in a 1.8 percent decline in 2002. The recovery in Washington is expected to be unusually slow. The forecast expects only a weak national recovery and no Boeing upturn is expected until 2004. The forecast calls for an employment growth rate of 1.4 percent in 2003, improving to 2.5 percent and 2.3 percent in 2004 and 2005. Washington personal income growth slowed sharply in 2001 to 1.9 percent from 5.9 percent in 2000. Excluding the volatile software sector the slowdown was from 7.4 percent to 2.6 percent. Even slower growth is expected 2002 due to the weak national economy and Boeing layoffs. The forecast expects personal income to grow just 0.7 percent in 2002, recovering to 5.5 percent in 2003, 6.2 percent in 2004, and 5.9 percent in 2005. Housing activity is also expected to decline over the next two years as a result of weak income and population growth and rising unemployment. The forecast expects housing permits to decline from 38,300 in 2001 to 37,500 in 2002 and 35,500 in 2003. The end of the Boeing cutbacks and a resumption of stronger population growth should benefit housing in the final two years. The forecast calls for 38,800 units in 2004 and 41,400 units in 2005.

Washington State Revenue Forecast

The Washington economy appears to be nearing the end of the recession. While some important cyclical industries such as aerospace, construction, and telecommunications continue to contract, others including business services, non-aerospace manufacturing, and retail trade are stabilizing or improving. Though revenue collections since February have been stronger than we expected, our latest employment and income data show that the recession in Washington has been more severe than believed in February. As a result, the increase to the revenue forecast is only \$55.6 million. The General Fund-State revenue forecast for the 2001-03 biennium is \$21,140.2 million, which is 178.3 million higher than the forecast adopted in February. The forecast change due to economic factors is \$85.1 (0.4 percent) which is more than accounted for by collection experience while legislation enacted since the February forecast added \$93.2 million. The June revenue forecast for the 2003-05 biennium of \$22,790.0 million is \$175.3 million higher than the February forecast. The increase is due entirely to legislation, however, which added \$204.8 million while the weaker economy subtracted \$29.5 million. The bottom line is a \$55.6 million revenue forecast increase for the two biennia combined in addition to the \$298.0 million in legislative changes.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 2001-03 biennium. The forecast based on more optimistic economic assumptions netted \$445 million (2.1 percent) more revenue than did the baseline forecast while the pessimistic scenario was \$470 million (2.2 percent) lower. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$75 million (0.4 percent) more revenue than did the baseline forecast.

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Washington State and U.S. Economic Forecasts

Recent U.S. Economic Activity

The June 2002 economic and revenue forecast incorporates the advance GDP estimate for the first quarter of 2002. According to the advance estimate, real GDP rose at a strong 5.8 percent in the first quarter though most of the growth was due to a sharp reduction in the pace of inventory de-stocking. Still, the 2.6 percent growth rate for final sales was healthy particularly in light of the sharp decline in motor vehicles and parts. Auto sales had ballooned in the fourth quarter as a result of special financing incentives. The first quarter retrenchment was expected. Consumers and government continued to support the expansion in the first quarter. Personal consumption expenditures increased at a 3.5 percent rate in the quarter in spite of the decline in auto sales. Purchases of durable goods declined at an 8.0 percent rate due to the fall off in autos but purchases of nondurable goods and services rose 8.4 percent and 3.8 percent respectively. Government spending soared at a 7.9 percent rate led by a 19.6 percent increase in defense spending. Federal civilian spending rose just 0.2 percent but state and local government spending increased 5.6 percent. Fixed investment declined only a slight 0.2 percent in the first quarter, which was a vast improvement over the previous three quarters thanks to a strong 15.7 percent increase in residential investment. Business spending on equipment and software fell at a 0.5 percent rate, however, while nonresidential construction plunged at a 19.9 percent rate. The continuing drag from foreign trade worsened in the first quarter as a 15.5 percent increase in imports overwhelmed a 6.8 percent rise in exports.

Despite the strong GDP growth in the first quarter of 2002, payroll employment fell at a 0.9 percent annual rate and the unemployment rate held steady at 5.60 percent. The Consumer Price Index rose only 1.4 percent in the first quarter compared to a 0.3 percent decline in the fourth quarter of 2001 but core inflation (excluding food and energy) declined slightly to 2.3 percent from 2.7 percent. Housing starts soared at a 39.2 percent rate to 1.715 million units in the first quarter but this was the result of unusually warm weather. An offsetting decline is expected in the second quarter. The mortgage rate edged up to 6.97 percent in the first quarter from 6.78 percent in the fourth quarter. At its May meeting, the Federal Reserve held the federal funds rate target at 1.75 percent.

U.S. Forecast Highlights

Though U.S. GDP growth was far stronger than expected in the first quarter of 2002, the strength was largely concentrated in inventories. The June GDP forecast for the remainder of 2002

as well as for 2003 is slightly weaker than assumed in February while growth in 2004 and 2005 is virtually identical to the previous forecast. On a calendar year basis, the forecast expects GDP growth to improve from 1.2 percent in 2001 to 2.5 percent in 2002, 3.6 percent in 2003, and 3.9 percent in 2004 before settling back to 3.0 percent in 2005. The nation's unemployment rate, which was down to 3.97 percent in the fourth quarter of 2000, is expected to rise to 6.10 percent by the second quarter of 2002. The unemployment rate is expected to decline in the second half of 2002 and throughout 2003 and 2004 as the economy recovers, reaching 5.00 percent by the end of 2004. Inflation, as measured by the implicit price deflator for personal consumption expenditures, is expected to decline from 1.9 percent in 2001 to 1.2 percent in 2002. The improvement in 2002 is mainly the result of lower energy costs, but the slumping economy should keep inflation moderate for the next few years. The forecast expects inflation rates of 2.3 percent in 2003 and 2.4 percent per year in 2004 and 2005. The forecast assumes that the Fed is done easing for this cycle and will begin raising its target rate at the August 13 meeting of the FOMC.

1. The recession that officially began last March is probably over but the sizzling GDP growth registered in the first quarter is not likely to be repeated. The first quarter jump in GDP mostly reflects the fact that less of the final demand was met out of existing inventories than in the previous quarter. The forecast still expects a relatively slow recovery. Real GDP grew only 2.7 percent in fiscal 2001 after four consecutive years in excess of 4 percent. The forecast expects 1.2 percent growth in the current fiscal year and most of that was in the first quarter of calendar 2002. After a slow start, the recovery is expected to pick up steam in the final three years of the forecast with GDP rising 3.3 percent in 2003, 4.0 percent in 2004, and 3.5 percent in 2005.
2. Inflation, as measured by the implicit price deflator for personal consumption expenditures, increased to 2.5 percent in fiscal 2001 from 2.3 percent in 2000 and a 36-year-low 1.2 percent in 1999. The increase was largely the result of a surge in energy prices but core inflation has also been rising. The recent drop in energy costs will push inflation temporarily below trend in 2002 to just 1.1 percent and the slack created by the recession and weak recovery should prevent a strong resurgence in core inflation in the following three years. The forecast assumes that inflation will increase moderately to 1.9 percent in 2003, 2.4 percent in 2004, and 2.5 percent in 2005.
3. The Federal Reserve began easing interest rates well in advance of the recession, cutting the federal funds rate a total of 300 basis points from January to August of 2001. After September 11 the Fed lowered its target rate another 175 basis points to just 1.75 percent. Monetary policy has been in a holding pattern since December 11 but the forecast assumes that the Fed will begin tightening again with a 25 basis point increase at the August 13 meeting as the economy begins to show signs of renewal. The three-month Treasury bill rate slipped to 5.13 percent in fiscal 2001 from 5.23 percent in 2000. The T-bill rate is expected to decline to 2.10 percent in fiscal 2002 reflecting the aggressive Fed easing of last year. The forecast expects an increase in the T-bill rate to 2.51 percent in 2003, 4.70 percent in 2004, and 5.11 percent in 2005 as the economy improves and the Fed becomes less accommodating. Mortgage rates also declined in fiscal 2001 to 7.45 percent from 8.05 percent in 2000 as a result of the easier monetary policy as well as the slumping economy. The forecast expects the mortgage rate to decline further to 6.91 percent in 2002 before increasing to 7.32 percent in 2003, 7.79 percent in 2004, and 7.49 percent in 2005.

4. In spite of lower mortgage interest rates, housing starts fell 4.0 percent in fiscal 2001 to 1.574 million units. The forecast assumes that housing starts will increase 2.7 percent in fiscal 2002 to 1.616 million units in spite of the recession as even lower mortgage rates more than offset the depressing impacts of rising unemployment and declining consumer confidence. The forecast expects housing starts to slip 2.9 percent in fiscal 2003 to 1.569 million units. Only a modest recovery is expected in the next two years as the beneficial impact of an improving economy is offset by another upturn in interest rates. The forecast calls for a 0.4 percent increase to 1.576 million units in 2004 followed by a 4.9 percent increase to 1.653 million units in 2005.
5. Though the recession was mild and brief in terms of the decline in GDP, the rise in unemployment has been much more typical. On a quarterly basis the unemployment rate has already risen from 3.97 percent in the fourth quarter of 2000 to 5.60 percent in the first quarter of 2002. Though the forecast assumes the recession is over, the unemployment rate is expected to continue to rise. By the third quarter of this year it is expected to reach a peak of 6.10 percent. Because the starting rate was so low, this peak is among the lowest in postwar history. On a fiscal year basis, the forecast expects the unemployment rate to climb from 4.19 percent in 2001 to 5.53 percent in 2002 and 5.96 percent in 2003 before declining to 5.46 percent and 5.05 percent in 2004 and 2005.
6. The federal budget surplus (national income and product accounts basis) continued to grow in fiscal 2001, rising to \$211.1 billion from \$174.3 billion in 2000. This was probably last surplus in the foreseeable future. The recently enacted tax cuts and the recession cut sharply into revenue. On top of this, the forecast assumes additional military and homeland security spending. A slight \$4.6 billion deficit is expected in fiscal 2002 followed by deficits of \$97.4 billion, \$85.7 billion, and \$43.6 billion during the next three years.
7. The foreign sector continues to be a drag on GDP growth. The trade deficit (national income and product accounts basis) increased in fiscal 2001 to \$370.6 billion from \$311.8 billion in 2000. Weak growth abroad and the strong dollar will cause exports to decline in 2002 but the U.S. recession will result in an even larger drop in imports. As a result, the trade deficit is expected to diminish slightly in 2002 to \$338.2 billion. Since the U.S. recovery is expected to lead recoveries abroad, the trade gap will continue to widen in 2003 to \$431.9 billion. The forecast expects a trade gap of \$463.0 billion in 2004 and \$494.0 billion in 2005.

Table 1.1 provides a fiscal year summary of the U.S. economic indicators.

Recent Economic Activity in Washington

The Employment Security Department has released preliminary employment estimates through April 2002. This forecast is based on adjusted employment estimates as described in **Adjustments to Economic Data**. Washington payroll employment fell at a 1.8 percent rate in the first quarter of 2002 following a 4.2 percent plunge in the fourth quarter of 2001. This was the fourth consecutive quarterly decline in overall employment in Washington. The drop over the year totaled 2.6 percent for Washington compared to a 1.0 percent decrease in U.S. employment. Only twice in the last forty years has Washington seen a more precipitous decline: during the recessions of 1969-71 and 1981-82. Manufacturing employment fell at a 12.0 percent annual rate in the first quarter, the fifteenth consecutive decline in overall manufacturing employment excluding the impact of the February

2000 aerospace labor dispute. Aerospace employment plunged at a 26.4 percent annual rate in the first quarter following an 8.6 percent reduction in the fourth quarter as the first of the Boeing layoffs were registered. Aerospace employment had increased in each of the three previous quarters. Manufacturing employment other than aerospace fell at a 6.4 percent rate in the first quarter which was the mildest decline in a year and a distinct improvement over the 12.0 percent drop in the fourth quarter. Nonmanufacturing employment declined at a scant 0.3 percent annual rate in the first quarter of 2002, much better than the 3.2 percent drop in the fourth quarter. Most nonmanufacturing sectors continued to decline in the first quarter including construction (down 6.3 percent,) transportation, communications, and utilities (down 5.9 percent,) and services (down 1.8 percent.) Trade employment posted its first increase in a year, however, increasing at a 1.3 percent rate in the first quarter. Government employment and finance, insurance, and real estate employment continued to expand as they have throughout the recession, rising 3.2 percent and 1.8 percent respectively.

In April 2002 the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) revised its quarterly state personal income estimates through the third quarter of 2001 and released preliminary estimates for the fourth quarter. In addition, the wage estimates for all four quarters of 2001 have been adjusted to reflect the Covered Employment and Payrolls data produced by the Department of Employment Security (see **Adjustments to Economic Data**.) According to the adjusted estimates, Washington's personal income in the fourth quarter of 2001 was \$1.532 billion (0.8 percent) lower than expected in the February forecast. Wage and salary disbursements were \$0.924 billion (0.8 percent) lower than expected in February even though software wages were \$0.536 billion (7.6 percent) higher. Fourth quarter wages outside the software sector were \$1.460 billion (1.4 percent) lower than previously believed. Nonwage personal income in the fourth quarter of 2001 was \$0.608 billion (0.8 percent) lower than in the February forecast.

The number of housing units authorized by building permit rose 1,800 to 36,200 in the first quarter of 2002 from a weak 34,400 in the fourth quarter. Single family permits increased 3,700 to 28,500 while the number of multi-family units authorized fell 1,900 to 7,700.

Adjustments to Economic Data

This forecast utilizes an alternative employment estimate developed by the Department of Employment Security and the Office of the Forecast Council. The alternative employment estimate incorporates the covered employment and payrolls data through the fourth quarter of 2001 which adds 6,600 (0.3 percent) to the Current Employment Statistics (CES) estimate for December 2001. In addition, the growth pattern from December 2001 through April 2002 has been adjusted to reflect the average historical revision between the preliminary (sample based) estimates and the final (covered employment and payrolls based) estimates subtracting 13,700 (0.5 percent.) The net effect of the adjustments was to reduce the April 2002 employment estimate by 7,100 (0.3 percent.)

The BEA will eventually benchmark its 2001 estimates for wage and salary disbursements to the covered employment and payrolls (ES202) data for all sectors except agriculture and federal government. In addition, we have one more quarter of ES202 data than was available to the BEA at the time of its most recent release. For these reasons, we derived wage estimates for these sectors for all four quarters of 2001 based on the ES202 data. Unadjusted BEA estimates were used for farm, federal civilian, and military wages as well as for all nonwage components of personal income. Our adjustments reduced the fourth quarter wage estimate by \$2.810 billion (2.5 percent) subtracting 1.5 percent from total personal income in that quarter.

Washington State Forecast Highlights

The state's economy now appears to be lagging behind the national economy by an even greater margin than expected in February. As expected, aerospace employment growth turned sharply negative in the first few months of 2002. In addition, employment in construction and transportation, communications, and public utilities continued to contract. Other cyclical sectors improved in early 2002, though. The decline in non-aerospace manufacturing slowed to a trickle while personnel supply services, computer and data processing services, and retail trade employment all turned up after suffering steep declines in 2001. As in February, we expect to see a gradual recovery in employment in Washington beginning in the third quarter of 2002. The aerospace forecast for Washington remains essentially unchanged since last November. We believe that the reductions have totaled about 14,000 so far, including contract workers and non-Boeing aerospace workers. The forecast expects another 4,500 by July after which the pace of the reductions will slow. The forecast assumes an increase in employment related to the construction of the nuclear waste vitrification plant at Hanford from the current level of about 2,500 to a peak of 4,500. Employment is expected to drop off sharply after the peak in mid-2004, reaching 2,500 by the end of 2005. The software wage assumption reflects a lower stream of stock option income due to the decline in Microsoft's stock price. As in February, the forecast assumes there will be no major fluctuations in Microsoft stock option activity.

Wage and salary employment fell 0.5 percent in 2001 following a 2.4 percent increase in 2000. The combination of the national recession and severe cutbacks in aircraft manufacturing is expected to result in a 1.8 percent decline in 2002. The recovery in Washington is expected to be unusually slow. The forecast expects only a weak national recovery and no Boeing upturn is expected until 2004. The forecast calls for an employment growth rate of 1.4 percent in 2003, improving to 2.5 percent and 2.3 percent in 2004 and 2005. Washington personal income growth slowed sharply in 2001 to 1.9 percent from 5.9 percent in 2000. Excluding the volatile software sector the slowdown was from 7.4 percent to 2.6 percent. Even slower growth is expected 2002 due to the weak national economy and Boeing layoffs. The forecast expects personal income to grow just 0.7 percent in 2002, recovering to 5.5 percent in 2003, 6.2 percent in 2004, and 5.9 percent in 2005. Housing activity is also expected to decline over the next two years as a result of weak income and population growth and rising unemployment. The forecast expects housing permits to decline from 38,300 in 2001 to 37,500 in 2002 and 35,500 in 2003. The end of the Boeing cutbacks and a resumption of stronger population growth should benefit housing in the final two years. The forecast calls for 38,800 units in 2004 and 41,400 units in 2005.

1. Nominal personal income growth slowed sharply in fiscal 2001 to 3.4 percent from 7.6 percent the previous year. While employment growth slowed in fiscal 2001, the main reason for the slowdown in personal income growth was the software sector where the value of exercised stock options plummeted. Excluding the impact of software stock options on personal income, there would have been a slight increase in personal income growth in 2001 to 6.1 percent from 5.9 percent in 2000. The forecast assumes that changes in software stock option income will not be a major factor in personal income growth during the next four years. The forecast assumes that declining employment and weak wage growth in 2002 cause Washington personal income growth to fall to just 0.2 percent in fiscal 2002 before recovering to 3.8 percent in 2003. In the final two years of the forecast the U.S. economy is expected to be fully recovered and aerospace employment will finally turn around. The

forecast expects personal income growth to improve to 5.9 percent in 2004 and 6.2 percent in 2005.

2. Washington real personal income growth plummeted to just 0.9 percent in fiscal 2001 from 5.2 percent in 2000 and more than 6 percent for each of the prior three years. The decline in growth in 2001 was mainly due to the drop in nominal income growth, but inflation was also slightly higher. Real personal income is expected to fall 0.9 percent in 2002 in spite of a record low inflation rate. This would be the first decline in real personal income in 19 years and the largest drop on record. The poor performance of real income growth in recent years is probably due to the collapse of option and bonus income which had ballooned in the late 1990s rather than reflecting the trend of ordinary wages. Real income growth is expected to improve to 1.8 percent in 2003, 3.4 percent in 2004, and 3.6 percent in 2005.
3. The massive aerospace employment reductions abated in fiscal 2001 just as a host of other manufacturing industries went into decline. At the same time, a four-year construction boom came to an abrupt halt. Due largely to these factors, overall employment growth continued to slow in fiscal 2001 to 1.3 percent from 2.4 percent the previous year. The events of September 11 will be particularly hard on Washington employment growth in the next two years. The national recession will be felt here, of course, but the nature of the attacks with its devastating impact on air transportation will result in a much more severe blow to the Washington economy than to the U.S. economy. In addition, Washington's construction and information technologies industries are declining rapidly. The forecast expects an employment decline of 2.1 percent in fiscal 2002 and no growth in fiscal 2003. Positive employment growth is expected to resume in the next biennium with growth rates of 2.1 percent in fiscal 2004 and 2.6 percent in 2005.
 - ◆ Lumber and wood products employment fell 300 in the first quarter of 2002 to 30,100. The decline since the beginning of 2000 has been 3,900. The forecast assumes that the first quarter is the trough in the current downturn both nationally and locally. Though Washington's lumber and wood products employment growth is expected to continue to trail the national average, employment is expected to rise throughout the remainder of the forecast. The forecast expects an increase of about 4,000 by the end of 2005.
 - ◆ Prior to September 11, it appeared that the aerospace downturn, which resulted in the loss of 27,700 between the second quarter of 1998 and the end of 2000, was over. Washington aerospace employment actually rose 1,800 during the first three quarters of 2001. In the wake of the attacks, Boeing announced that it intended to cut 20,000 to 30,000 jobs company-wide. The vast majority of the reductions will be in Washington State, the home of the commercial airplane unit. A total of 8,300 aerospace jobs were cut in the fourth quarter of 2001 and first quarter of 2002. Overall, the forecast assumes a decline of 23,100 aerospace workers and another 2,500 Boeing contract employees in Washington between the third quarter 2001 and the end of 2003. About 75 percent of the reductions are expected by the middle of 2002. A gradual upturn in the final two years of the forecast is expected to add 7,700 aerospace employees in Washington by the end of 2005.
 - ◆ Washington's four-year construction boom has turned into a bust. Construction employment grew at a 6.8 percent annual rate between the fourth quarter of 1995 and the first quarter of 2000. During the next four quarters employment declined 0.4 percent fol-

lowed by a 7.1 percent drop over the most recent year. In contrast, the decline in U.S. construction employment over the last year was only 1.3 percent. The forecast assumes another two quarters of decline at an average rate of 6.2 percent bringing the total peak to trough job loss to 16,800. Though a modest upturn in the economy is expected beginning in the second half of 2002, weak housing activity and slow population growth will prevent a strong rebound in construction employment until 2004. The forecast calls for an average annual growth rate of 2.6 percent during the following five quarters, accelerating to an average rate of 3.8 percent per year in 2004 and 2005.

- ◆ The finance, insurance, and real estate sector has been a rare bright spot in Washington's economy. Employment in this sector rose at a 1.8 percent annual rate in the first quarter of 2002 and an average of 3.2 percent over the last five quarters. The growth was mostly in finance, which has clearly benefited by a refinancing boom brought on by low mortgage interest rates. This source of stimulus has probably pretty much played itself out as rates are heading higher again. The forecast assumes an average growth rate of only 0.4 percent during the remainder of 2002, picking up to an average rate of 2.6 percent per year in 2003, 2004, and 2005.
- ◆ Retail trade employment rose at a 2.8 percent annual rate in the first quarter of 2002 after three consecutive quarterly declines including a 5.9 percent plunge in the fourth quarter of 2001. In spite of the first quarter uptick, the forecast expects two more quarterly declines in this cycle. The drop in consumer confidence, slow population growth, and weak economy have been particularly hard on retail trade employment. In addition, many struggling e-tailing firms such as Amazon.com are classified as retailers. Retail trade employment is expected to decline another 0.6 percent by the third quarter before beginning a gradual recovery. The expected average annual growth rate for the rest of the forecast is 1.3 percent.
- ◆ Services employment declined at a 1.8 percent rate in the first quarter of 2002 and 2.5 percent over the last four quarters. (The huge drop in services employment in the first quarter of 2001 should be disregarded as it is almost entirely the result of a noneconomic reclassification of tribal employees who had previously been considered private sector employees but are now considered local government employees.) Washington's services sector hasn't experienced such a sharp year-over-year decline since 1963. The year-over-year decline in services was more than accounted for by business services where employment has fallen 13.2 percent. Software employment was unchanged over the year but other computer and data processing services, the home of many information technology companies, plunged 28.9 percent. The rest of business services fell 12.0 percent over the year mainly as a result of a 24.0 percent drop in personnel supply services. The forecast assumes that the shakeout in these areas is complete and that software employment growth will pick up. Services employment is expected to grow at an average annual rate of 3.5 percent per year through 2005.
- ◆ State and local government employment grew at a 3.6 percent annual rate in the first quarter of 2002 and 2.9 percent over the year. (The huge increase in state and local government employment in the first quarter of 2001 should be disregarded as it is almost entirely the result of a noneconomic reclassification of tribal employees who had previously been considered private sector employees but are now considered local gov-

ernment employees.) Though state and local government employment has been a source of strength during the recession, the slowdown in the state's economy is putting pressure on state and local governments' budgets and is expected to affect employment in this sector with a lag. The forecast assumes that state and local government employment will grow at a 1.6 percent annual rate in the second quarter but will decline at an average rate of 0.9 percent during the following six quarters. The weak nature of the recovery coupled with essentially no growth in the school age population is expected to restrain growth to just 0.6 percent per year during the final eight quarters of the forecast.

4. Declining mortgage rates helped boost the number of housing units authorized by building permit by 3.4 percent in fiscal 2001 to 40,400 from 39,100 in 2000. In spite of still lower mortgage rates in 2002, housing activity is expected to decline due to lower consumer confidence, rising unemployment, weak income growth and slow population growth. Still lower population growth and an increase in the mortgage rate are expected to more than offset the beneficial impact of a slightly stronger economy in 2003. The forecast expects an 8.1 percent decline in housing permits to 37,100 units in fiscal 2002 and another 1.7 percent decline to 36,500 units in 2003. The forecast expects a slight 0.3 percent decline to 36,400 in 2004 before more rapid population growth leads to an 11.9 percent increase to 40,700 in 2005.
5. Inflation in the Seattle metropolitan area, as measured by the consumer price index for all urban consumers, increased in fiscal 2001 to 4.0 percent from 3.2 percent in 2000. The comparable U.S. inflation rate increased from 2.9 percent to 3.4 percent during the same period. Rising energy costs were partly to blame for the worsening inflation in Seattle as well as elsewhere in the nation. Excluding energy, Seattle's CPI inflation would still have increased to 3.1 percent in 2001 from 2.6 percent in 2000 while the U.S. index increased from 2.2 percent to 2.6 percent. Based on experience through the first three quarters of fiscal 2002, it appears that Seattle inflation will exceed U.S. inflation this year as well. The forecast calls for an increase of 2.7 percent in the Seattle CPI compared to 1.8 percent for the U.S. index. Seattle inflation is expected to drop below U.S. inflation during the remainder of the forecast due to the slump in the local economy. The forecast expects inflation rates of 1.9 percent, 2.1 percent, and 2.4 percent in Seattle compared to 2.4 percent, 2.6 percent, and 2.6 percent for the U.S. city average.

Table 1.2 provides a fiscal year summary of the state economic indicators.

Alternative Forecasts

As required by statute, the Forecast Council has also adopted two alternatives to the baseline forecast. One of these was based on more optimistic economic assumptions than the baseline and one was based on more pessimistic assumptions. These alternatives are summarized in Table 1.3.

The pessimistic alternative assumes that sluggish investment and the failure of business to resume hiring prevent the expansion from taking hold this summer. The end of the inventory cycle carries the economy through the second quarter, but final demand slips as investment stagnates, and consumers become more cautious. As the unemployment rate rises, consumer confidence begins to sag, slowing spending further. The difficulties increase when rumblings of an imminent invasion of Iraq cause panic buying. When the United States does invade in the fourth quarter, oil prices soar above \$37 per barrel (WTI.) In the first quarter of 2003, all the negative factors combine to cause a

second dip in GDP. It is minor—only 0.7% at an annual rate—but because the economy has been sluggish for more than two years at that point, the unemployment rate rises to 7% in the middle of 2003. At the state level, aerospace production and employment cuts are even more severe and protracted than assumed in the baseline forecast with no turnaround until 2005. Washington's wage growth and inflation are relatively slow and the initial level of Washington personal income is lower. Population growth is also slower in this scenario and the downturn in construction employment extends through the middle of 2003. By the end of the 2001-03 biennium, Washington nonagricultural employment is lower by 59,100 jobs than in the baseline forecast and Washington personal income is \$8.3 billion lower. The pessimistic scenario produced \$470 million (2.2 percent) less General Fund-State revenue in the 2001-03 biennium than did the baseline forecast.

Coming out of this recession, the U.S. economy remains hobbled by one glaring imbalance: the current account deficit. In every other postwar recession, the current account moved into balance as imports dropped and exports remained steady. Because this recession has taken a toll on other countries, though, U.S. exports have dropped, resulting in a bulging current account that now stands at 4% of GDP. In this alternative scenario, the weight of recent current account deficits finally takes its toll on the dollar. Over the course of the next four quarters, the dollar drops 15% below its baseline value. The result is stronger GDP growth as imports drop and exports rise, but more inflation. The economy expands 3.0 % in 2002 (compared with 2.5% in the baseline) and 4.5% in 2003 (compared with 3.6% in the baseline). The CPI climbs 3.0% in 2003 (compared with 2.6% in the baseline), though, and remains above the baseline rate throughout the forecast period. Locally, Washington aerospace employment begins rising in the third quarter of next year and expands strongly in 2004 and 2005. Washington's wages and prices grow faster than in the baseline and the initial level of Washington personal income is higher. Construction employment also turns up earlier and more vigorously than in the baseline and population growth is also stronger in the optimistic alternative. By the end of the 2001-03 biennium, Washington nonagricultural employment is higher by 35,500 jobs than in the baseline forecast and Washington personal income is \$5.9 billion higher. The optimistic scenario generated \$445 million (2.1 percent) more revenue in the 2001-03 biennium than did the baseline forecast.

Governor's Council of Economic Advisors Scenario

In addition to the optimistic and pessimistic forecasts, the staff has prepared a forecast based on the opinions of the Governor's Council of Economic Advisors (GCEA) as summarized in [Table 1.3](#). In the GCEA scenario, the U.S. and state forecasts were adjusted to match the average view of the Council members. With only one quarter remaining in the current fiscal year, it is not surprising that the GCEA and baseline forecasts were virtually identical in fiscal 2002. Nationally the Governor's Council members expected stronger GDP growth in 2003 than assumed in the baseline forecast though their inflation forecast was similar and their interest rate outlook was slightly lower. The GCEA forecasts for Washington State also indicated stronger growth in 2003 than did the baseline forecast. Personal income growth, both real and nominal, was higher in 2003 than in the baseline forecast as well as employment growth and housing permits. At the end of the 2001-03 biennium, Washington nonagricultural employment was 3,300 higher in the GCEA forecast than in the baseline forecast and their Washington personal income forecast was \$0.5 billion higher. The Governor's Council scenario generated \$75 million (0.4 percent) more revenue in the 2001-03 biennium than did the baseline forecast.

Table 1.1
U.S. Economic Forecast Summary
Forecast 2002 to 2005

Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	8,332.2	8,675.3	9,063.3	9,310.1	9,418.3	9,727.1	10,113.1	10,468.8
% Ch	4.4	4.1	4.5	2.7	1.2	3.3	4.0	3.5
Real Consumption	5,551.4	5,822.1	6,120.4	6,362.5	6,557.6	6,784.7	7,027.1	7,268.7
% Ch	4.4	4.9	5.1	4.0	3.1	3.5	3.6	3.4
Real Nonresidential Fixed Investment	1,078.9	1,179.9	1,291.0	1,360.1	1,249.3	1,283.5	1,419.4	1,525.1
% Ch	13.5	9.4	9.4	5.3	-8.1	2.7	10.6	7.5
Real Residential Fixed Investment	329.7	360.5	372.9	370.7	384.0	382.6	383.7	394.2
% Ch	4.3	9.4	3.4	-0.6	3.6	-0.4	0.3	2.7
Real Personal Income	7,004.8	7,329.8	7,570.2	7,874.3	8,040.2	8,265.1	8,569.6	8,849.2
% Ch	5.1	4.6	3.3	4.0	2.1	2.8	3.7	3.3
Real Per Capita Income (\$/Person)	25,983	26,945	27,581	28,434	28,773	29,315	30,131	30,847
% Ch	4.1	3.7	2.4	3.1	1.2	1.9	2.8	2.4
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.037	1.061	1.088	1.100	1.121	1.148	1.176
% Ch	1.4	1.2	2.3	2.5	1.1	1.9	2.4	2.5
U.S. Consumer Price Index (1982-84=1.0)	1.618	1.646	1.693	1.751	1.782	1.824	1.871	1.920
% Ch	1.8	1.7	2.9	3.4	1.8	2.4	2.6	2.6
Employment Cost Index (June 1989=1.0)	1.330	1.380	1.431	1.487	1.540	1.589	1.644	1.701
% Ch	3.9	3.7	3.8	3.9	3.6	3.2	3.4	3.4
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	8,548.6	9,013.9	9,586.6	10,077.4	10,362.3	10,892.4	11,592.8	12,286.0
% Ch	6.0	5.4	6.4	5.1	2.8	5.1	6.4	6.0
Personal Income	7,178.5	7,604.4	8,033.4	8,564.0	8,840.5	9,263.3	9,836.2	10,407.8
% Ch	6.6	5.9	5.6	6.6	3.2	4.8	6.2	5.8
Employment (Millions)								
U.S. Civilian Labor Force	137.0	138.6	140.3	141.3	142.1	143.6	145.9	148.0
Total U.S. Employment	130.6	132.5	134.5	135.4	134.2	135.0	137.9	140.6
Unemployment Rate (%)	4.65	4.38	4.09	4.19	5.53	5.96	5.46	5.05
Wage and Salary Employment	124.31	127.36	130.54	132.31	131.61	132.88	135.70	138.53
% Ch	2.6	2.5	2.5	1.4	-0.5	1.0	2.1	2.1
Manufacturing	18.81	18.67	18.51	18.23	17.12	16.93	17.06	17.21
% Ch	1.4	-0.8	-0.9	-1.5	-6.1	-1.1	0.8	0.8
Durable Manufacturing	11.17	11.15	11.12	11.01	10.21	10.02	10.05	10.13
% Ch	2.7	-0.1	-0.3	-0.9	-7.3	-1.8	0.2	0.8
Nondurable Manufacturing	7.64	7.52	7.39	7.22	6.91	6.91	7.02	7.08
% Ch	-0.5	-1.6	-1.7	-2.3	-4.3	0.0	1.6	0.9
Nonmanufacturing	105.50	108.69	112.03	114.07	114.49	115.95	118.63	121.32
% Ch	2.9	3.0	3.1	1.8	0.4	1.3	2.3	2.3
Services	36.81	38.27	39.82	40.88	41.06	42.18	43.70	45.18
% Ch	4.5	4.0	4.0	2.7	0.4	2.7	3.6	3.4
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.3	20.5	21.1	21.7	21.9	21.8	22.0	22.3
Auto Sales (Millions)	8.2	8.3	9.0	8.5	8.2	8.1	8.0	7.9
% Ch	-2.1	2.2	7.8	-5.0	-4.3	-0.7	-1.5	-1.9
Housing Starts (Millions)	1.530	1.659	1.640	1.574	1.616	1.569	1.576	1.653
% Ch	5.0	8.4	-1.2	-4.0	2.7	-2.9	0.4	4.9
Federal Budget Surplus (Billions)	-1.5	81.1	174.3	211.1	-4.6	-97.4	-85.7	-43.6
Net Exports (Billions)	-117.7	-192.5	-311.8	-370.6	-338.2	-431.9	-463.0	-494.0
3-Month Treasury Bill Rate (%)	5.04	4.49	5.23	5.13	2.10	2.51	4.70	5.11
30-Year U.S. Govt. Bond Rate (%)	6.10	5.43	6.14	5.66	5.49	6.02	6.36	6.19
Bond Index of 20 G.O. Munis. (%)	5.24	5.08	5.82	5.35	5.18	5.27	5.48	5.33
Mortgage Rate (%)	7.20	6.93	8.05	7.45	6.91	7.32	7.79	7.49

Table 1.2
Washington Economic Forecast Summary
Forecast 2002 to 2005

Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	152.625	162.024	170.513	172.030	170.450	173.539	179.439	185.971
% Ch	6.4	6.2	5.2	0.9	-0.9	1.8	3.4	3.6
Real Wage and Salary Disb.	87.471	94.725	102.487	101.946	98.670	99.381	102.540	106.349
% Ch	8.5	8.3	8.2	-0.5	-3.2	0.7	3.2	3.7
Real Nonwage Income	65.154	67.299	68.026	70.084	71.780	74.158	76.899	79.622
% Ch	3.6	3.3	1.1	3.0	2.4	3.3	3.7	3.5
Real Per Capita Income (\$/Person)	26,593	27,841	28,963	28,845	28,249	28,465	29,128	29,818
% Ch	4.8	4.7	4.0	-0.4	-2.1	0.8	2.3	2.4
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.037	1.061	1.088	1.100	1.121	1.148	1.176
% Ch	1.4	1.2	2.3	2.5	1.1	1.9	2.4	2.5
Seattle Cons. Price Index (1982-84=1.0)	1.653	1.702	1.757	1.828	1.877	1.913	1.953	1.999
% Ch	2.9	3.0	3.2	4.0	2.7	1.9	2.1	2.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	15.43	15.97	16.42	17.16	17.94	18.24	18.47	18.74
% Ch	3.1	3.5	2.8	4.5	4.6	1.6	1.3	1.5
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	155.940	167.804	180.731	186.816	187.125	193.983	205.343	218.044
% Ch	8.0	7.6	7.7	3.4	0.2	3.7	5.9	6.2
Personal Income	156.415	168.096	180.939	187.093	187.415	194.497	205.961	218.728
% Ch	7.9	7.5	7.6	3.4	0.2	3.8	5.9	6.2
Disposable Personal Income	134.218	143.475	153.369	158.001	160.754	167.646	177.365	188.640
% Ch	7.1	6.9	6.9	3.0	1.7	4.3	5.8	6.4
Per Capita Income (\$/Person)	27,253	28,883	30,732	31,370	31,061	31,902	33,432	35,070
% Ch	6.2	6.0	6.4	2.1	-1.0	2.7	4.8	4.9
Employment (Thousands)								
Washington Civilian Labor Force	3,016.4	3,063.5	3,065.7	3,021.9	3,007.5	3,060.4	3,109.8	3,170.5
Total Washington Employment	2,877.5	2,916.5	2,917.1	2,850.8	2,796.3	2,840.5	2,899.5	2,975.2
Unemployment Rate (%)	4.61	4.80	4.85	5.67	7.02	7.18	6.76	6.16
Wage and Salary Employment	2,558.2	2,621.3	2,684.4	2,718.4	2,662.6	2,661.7	2,717.2	2,788.3
% Ch	3.8	2.5	2.4	1.3	-2.1	-0.0	2.1	2.6
Manufacturing	378.5	373.0	356.7	349.0	323.0	307.7	309.7	318.4
% Ch	5.9	-1.5	-4.4	-2.2	-7.4	-4.7	0.7	2.8
Durable Manufacturing	270.0	264.7	247.9	242.0	222.2	207.2	208.1	215.3
% Ch	8.7	-2.0	-6.4	-2.4	-8.2	-6.8	0.4	3.5
Aerospace	111.2	107.7	90.0	86.6	82.0	68.1	65.2	68.7
% Ch	16.1	-3.1	-16.4	-3.8	-5.3	-17.0	-4.2	5.3
Nondurable Manufacturing	108.5	108.3	108.9	107.0	100.7	100.5	101.6	103.0
% Ch	-0.7	-0.2	0.5	-1.7	-5.8	-0.3	1.1	1.5
Nonmanufacturing	2,179.7	2,248.4	2,327.6	2,369.5	2,339.6	2,354.0	2,407.5	2,469.9
% Ch	3.4	3.2	3.5	1.8	-1.3	0.6	2.3	2.6
Construction	139.2	148.8	158.4	159.0	149.5	145.2	149.4	155.5
% Ch	4.9	6.9	6.4	0.4	-6.0	-2.9	2.9	4.1
Services	695.0	723.1	761.4	785.2	765.0	783.9	816.1	846.8
% Ch	4.9	4.0	5.3	3.1	-2.6	2.5	4.1	3.8
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	45.127	44.954	39.065	40.384	37.102	36.465	36.356	40.700
% Ch	18.6	-0.4	-13.1	3.4	-8.1	-1.7	-0.3	11.9
Single-Family	29.346	28.252	26.372	26.761	26.921	24.102	23.855	26.672
% Ch	12.8	-3.7	-6.7	1.5	0.6	-10.5	-1.0	11.8
Multi-Family	15.780	16.702	12.693	13.623	10.181	12.363	12.501	14.028
% Ch	31.1	5.8	-24.0	7.3	-25.3	21.4	1.1	12.2
Mortgage Rate (%)	7.20	6.93	8.05	7.45	6.91	7.32	7.79	7.49

Table 1.3

Comparison of Alternative Forecasts

	Fiscal Year 2001				Fiscal Year 2002				Fiscal Year 2003			
	O	B	P	G	O	B	P	G	O	B	P	G
U.S.												
Real GDP	9310.1	9310.1	9310.1	9310.1	9425.6	9418.3	9425.6	9425.6	9823.8	9727.1	9823.8	9823.8
%Ch	2.7	2.7	2.7	2.7	1.2	1.2	1.1	1.2	4.2	3.3	1.2	3.8
Implicit Price Deflator	1.088	1.088	1.088	1.088	1.100	1.100	1.100	1.099	1.124	1.121	1.122	1.121
%Ch	2.5	2.5	2.5	2.5	1.1	1.1	1.1	1.1	2.2	1.9	2.1	2.0
Mortgage Rate	7.45	7.45	7.45	7.45	6.91	6.91	6.91	6.90	7.36	7.32	6.76	7.15
3 Month T-Bill Rate	5.13	5.13	5.13	5.13	2.10	2.10	2.10	2.08	2.59	2.51	1.57	2.33
Washington												
Real Personal Income*	172.030	172.030	172.030	172.030	171.006	170.450	169.882	170.426	177.127	173.539	168.123	174.803
%Ch	0.9	0.9	0.9	0.9	-0.6	-0.9	-1.2	-0.9	3.6	1.8	-1.0	2.6
Personal Income	187.093	187.093	187.093	187.093	188.046	187.415	186.785	187.334	199.069	194.497	188.678	195.916
%Ch	3.4	3.4	3.4	3.4	0.5	0.2	-0.2	0.1	5.9	3.8	1.0	4.6
Employment	2718.4	2718.4	2718.4	2718.4	2664.3	2662.6	2660.7	2662.7	2686.1	2661.7	2624.4	2669.7
%Ch	1.3	1.3	1.3	1.3	-2.0	-2.1	-2.1	-2.0	0.8	-0.0	-1.4	0.3
Housing Permits	40.384	40.384	40.384	40.384	37.372	37.102	36.526	37.028	40.396	36.465	29.322	37.233
%Ch	3.4	3.4	3.4	3.4	-7.5	-8.1	-9.6	-8.3	8.1	-1.7	-19.7	0.6

(O) Optimistic; (B) Baseline; (P) Pessimistic; (G) Governor's Council of Economic Advisors

Table 1.4

Forecast Analysis

Comparison of Forecasts for 2001-03

Forecast Date	2000				2001				2002				2003	
	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>
U.S.														
Percent Growth, 2001:2-2003:2														
Real GDP	5.9	6.7	6.8	7.0	7.4	7.0	5.9	4.2	4.3	5.7				
Implicit Price Deflator	4.3	4.9	4.8	4.8	4.6	4.6	4.4	3.5	2.8	3.2				
Average Rate, 2001:3 to 2003:2														
3 Month T-Bill Rate	5.43	5.87	5.62	5.46	4.67	3.75	3.68	2.75	2.42	2.30				
Mortgage Rate	7.61	7.89	7.90	7.42	7.23	7.22	7.12	6.81	7.08	7.12				
Washington														
Percent Growth, 2001:2-2003:2														
Employment	3.3	4.0	3.7	3.7	3.4	3.3	2.8	0.0	-0.6	-1.2				
Personal Income	10.1	11.4	11.3	11.8	11.6	11.3	9.7	5.5	4.2	4.1				
Real Personal Income	5.6	6.3	6.1	6.7	6.7	6.4	5.1	1.9	1.4	0.9				
Total (Thousands of units), 2001:3 to 2003:2														
Housing Units Authorized	82.1	84.3	82.7	84.8	84.3	78.8	83.2	72.9	74.5	73.6				

Table 1.5
Forecast Comparison
Forecast 2002 to 2003

Fiscal Years

	2001	2002	2003	2004	2005
U.S.					
Real GDP					
June Baseline	9310.1	9418.3	9727.1	10113.1	10468.8
% Ch	2.7	1.2	3.3	4.0	3.5
February Baseline	9310.1	9330.6	9592.0	9994.3	10327.0
% Ch	2.7	0.2	2.8	4.2	3.3
Implicit Price Deflator					
June Baseline	1.088	1.100	1.121	1.148	1.176
% Ch	2.5	1.1	1.9	2.4	2.5
February Baseline	1.088	1.099	1.117	1.142	1.169
% Ch	2.5	1.0	1.7	2.3	2.3
U.S. Unemployment Rate					
June Baseline	4.19	5.53	5.96	5.46	5.05
February Baseline	4.19	5.57	6.06	5.38	5.01
Mortgage Rate					
June Baseline	7.45	6.91	7.32	7.79	7.49
February Baseline	7.45	6.91	7.24	7.56	7.43
3 Month T-Bill Rate					
June Baseline	5.13	2.10	2.51	4.70	5.11
February Baseline	5.13	2.15	2.70	4.43	4.62
Washington					
Real Personal Income					
June Baseline	172.030	170.450	173.539	179.439	185.971
% Ch	0.9	-0.9	1.8	3.4	3.6
February Baseline	172.252	172.182	175.193	181.006	186.785
% Ch	1.1	-0.0	1.7	3.3	3.2
Personal Income					
June Baseline	187.093	187.415	194.497	205.961	218.728
% Ch	3.4	0.2	3.8	5.9	6.2
February Baseline	187.337	189.160	195.729	206.807	218.299
% Ch	3.6	1.0	3.5	5.7	5.6
Employment					
June Baseline	2718.4	2662.6	2661.7	2717.2	2788.3
% Ch	1.3	-2.1	-0.0	2.1	2.6
February Baseline	2719.7	2674.3	2679.8	2731.8	2796.3
% Ch	1.4	-1.7	0.2	1.9	2.4
Housing Permits					
June Baseline	40.384	37.102	36.465	36.356	40.700
% Ch	3.4	-8.1	-1.7	-0.3	11.9
February Baseline	41.087	37.618	36.917	37.163	40.267
% Ch	4.5	-8.4	-1.9	0.7	8.4

Table 1.6

Calendar Years

Long Range Economic Outlook

Forecast 2002 to 2011

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
U.S.*											
Real GDP, %Ch	1.2	2.5	3.6	3.9	3.0	2.7	2.8	3.3	3.4	3.6	3.2
Implicit Price Deflator, %Ch	1.9	1.2	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.7
3 Month T-Bill Rate	3.39	1.82	3.68	5.09	5.10	5.10	5.12	5.13	5.13	5.14	5.14
Mortgage Rate	6.97	7.05	7.63	7.67	7.47	7.48	7.48	7.44	7.42	7.43	7.45
State**											
Real Personal Income, %Ch	0.1	-0.4	3.1	3.7	3.4	2.5	2.5	2.5	2.5	2.5	2.5
Personal Income, %Ch	1.9	0.7	5.5	6.2	5.9	4.9	4.9	5.0	5.0	5.0	5.2
Employment, %Ch	-0.5	-1.8	1.4	2.5	2.3	2.0	2.0	2.0	2.0	2.0	2.0

* June 2002 Baseline (2001-2005) extended with the DRI June 2002 Trendlong Forecast.

** June 2002 Baseline (2001-2005) judgmentally extended through 2011.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1
Total Nonagricultural Employment

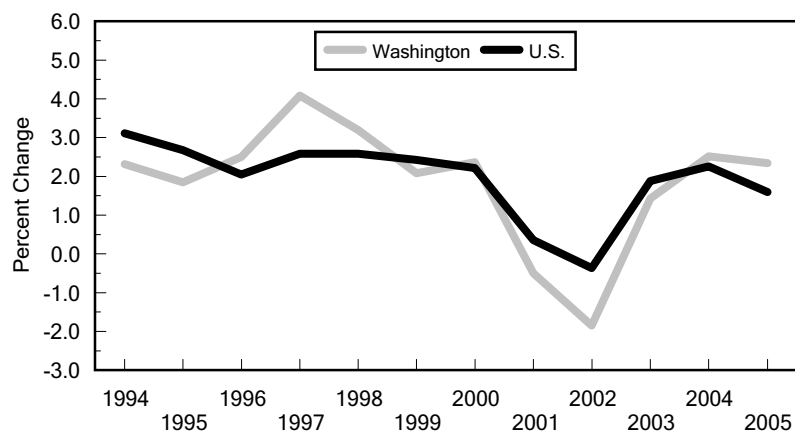


Chart 1.2
Manufacturing Employment

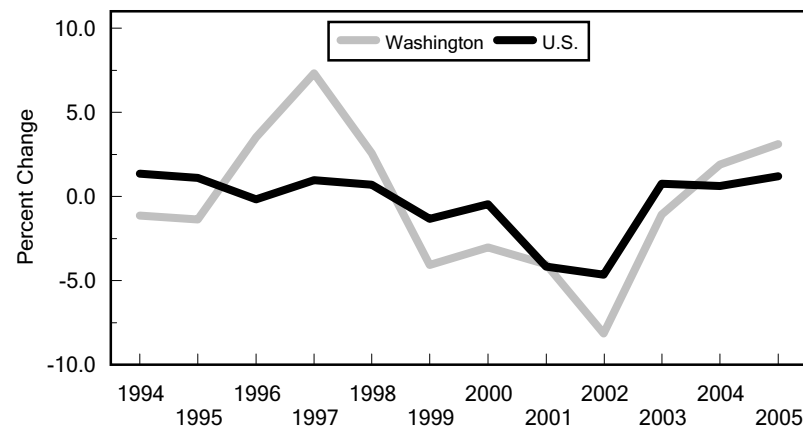


Chart 1.3
Aerospace Employment

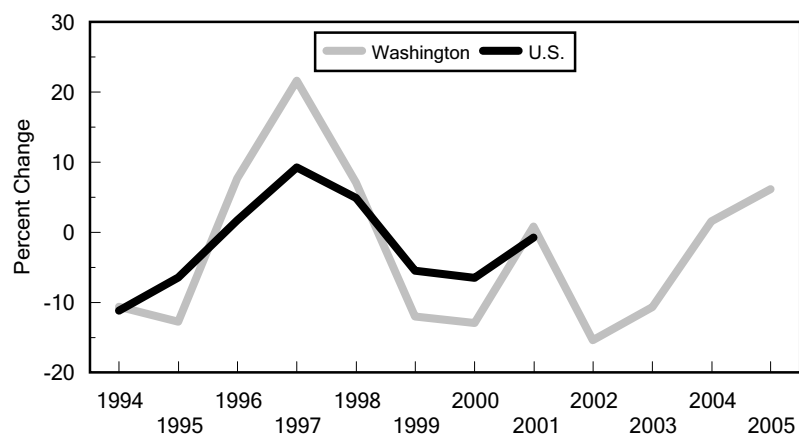
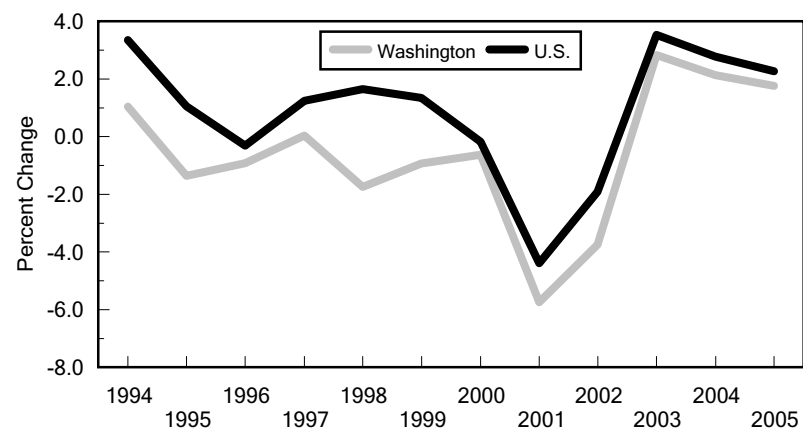


Chart 1.4
Forest Products Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.5
Construction Employment

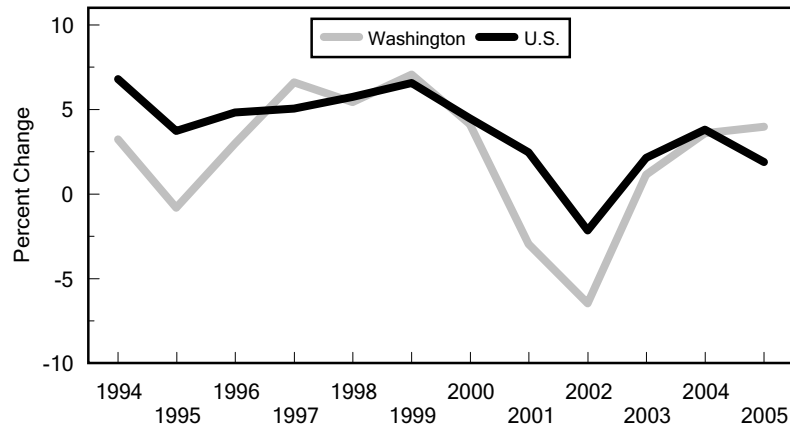


Chart 1.6
Trade Employment

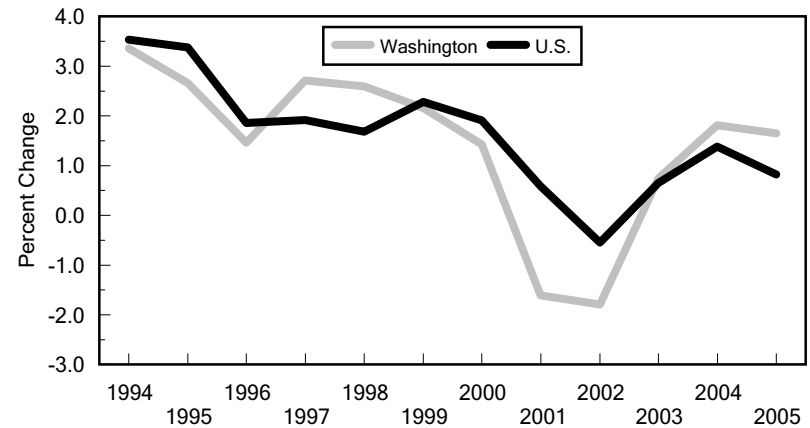


Chart 1.7
Services Employment

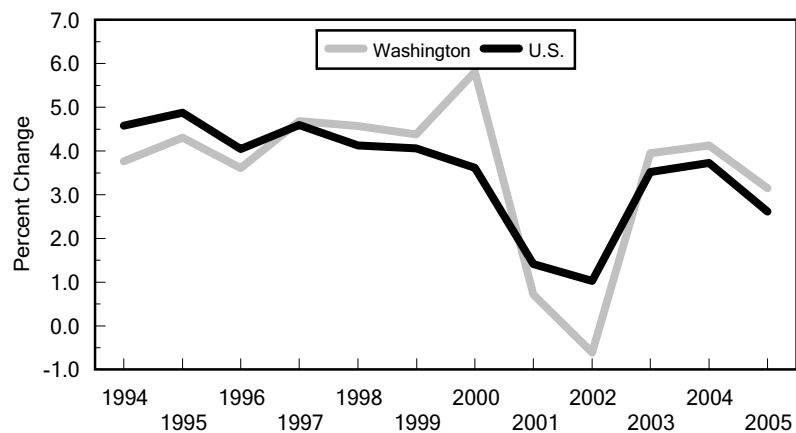
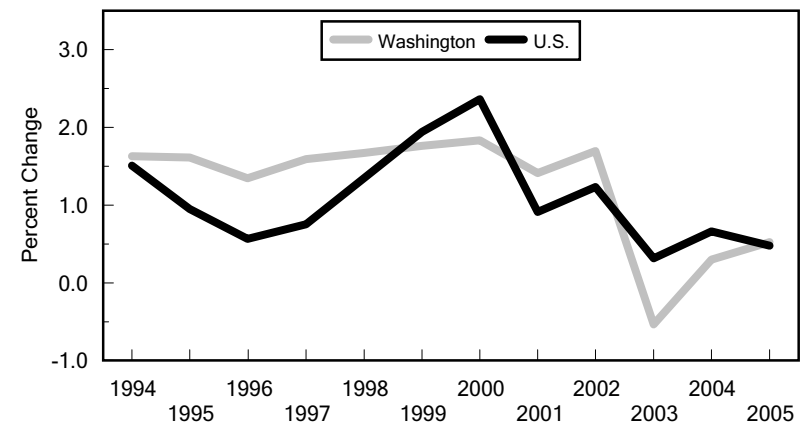


Chart 1.8
Government Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.9
Real Personal Income

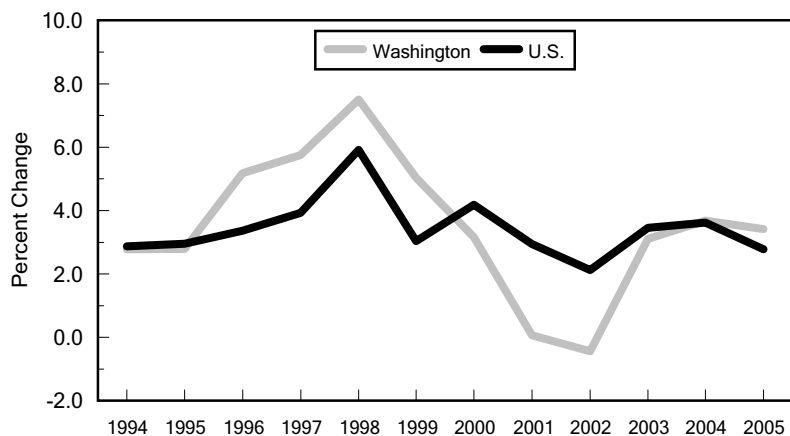


Chart 1.10
Consumer Price Indices

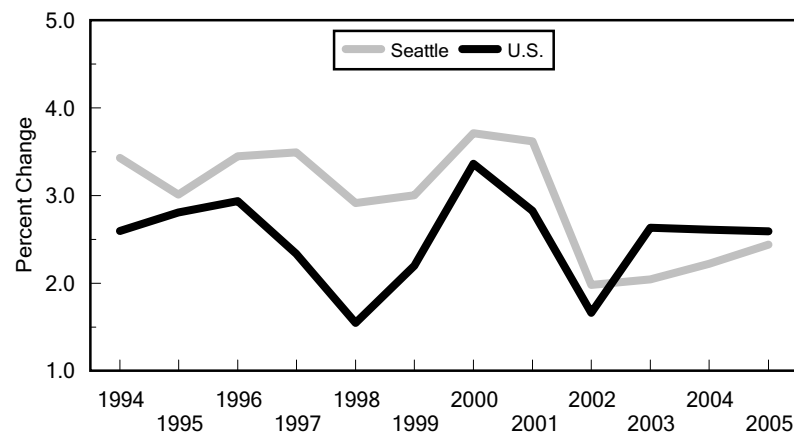


Chart 1.11
Population

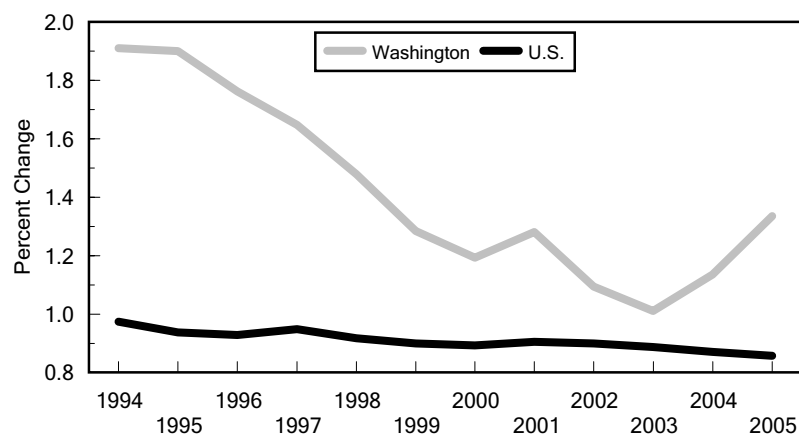
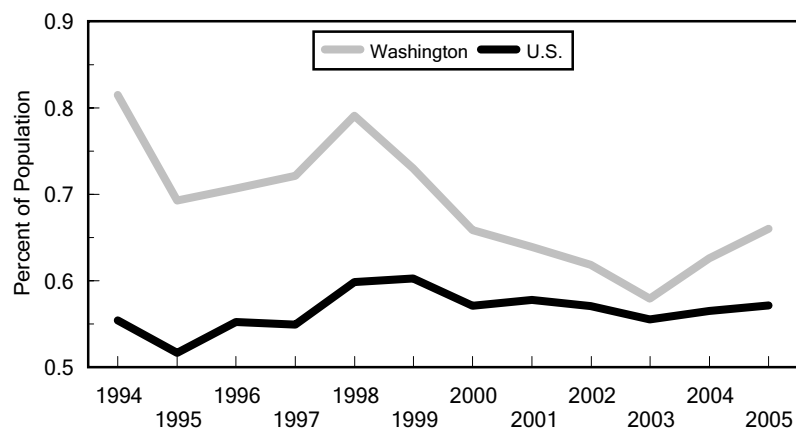


Chart 1.12
Per Capita Housing Units



Comparison of Alternative U.S. Forecasts

Chart 1.13
Real GDP

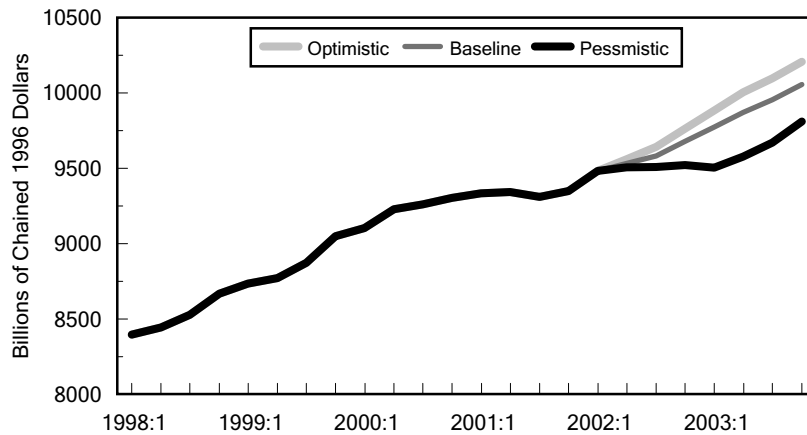


Chart 1.14
Implicit Price Deflator

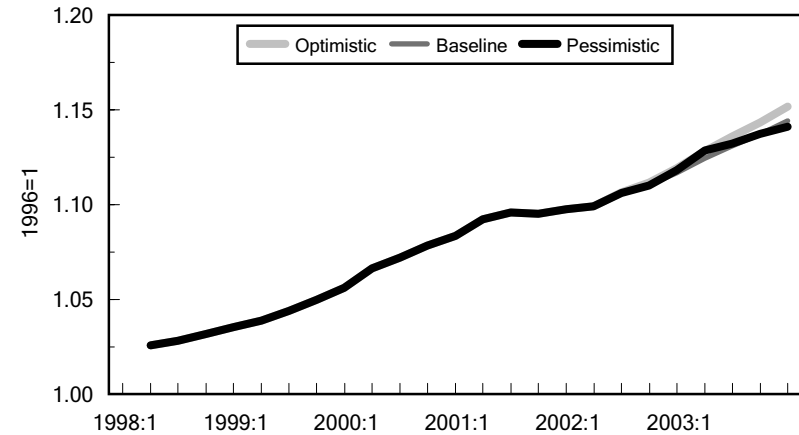


Chart 1.15
Mortgage Rate

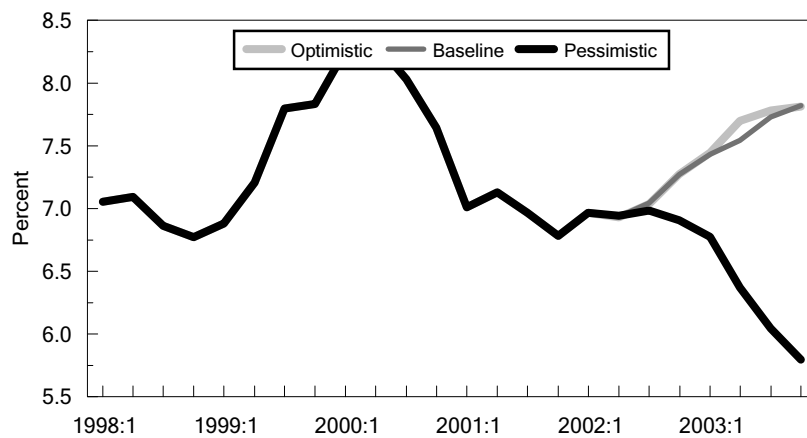
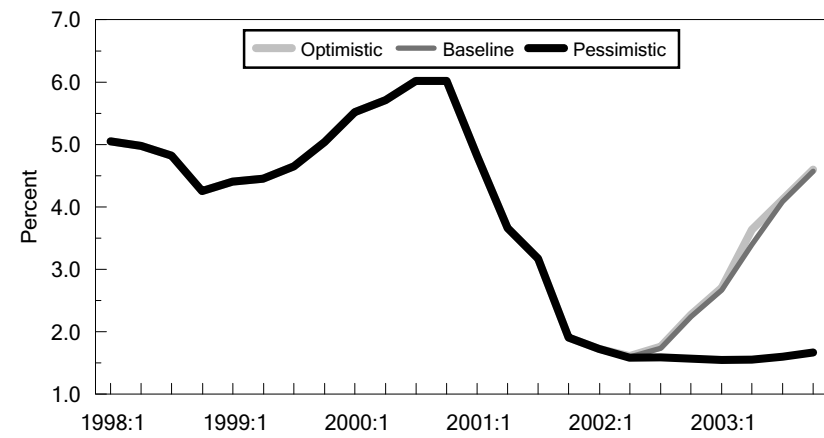


Chart 1.16
Three Month T-Bill Rate



Comparison of Alternative Washington Forecasts

Chart 1.17
Personal Income

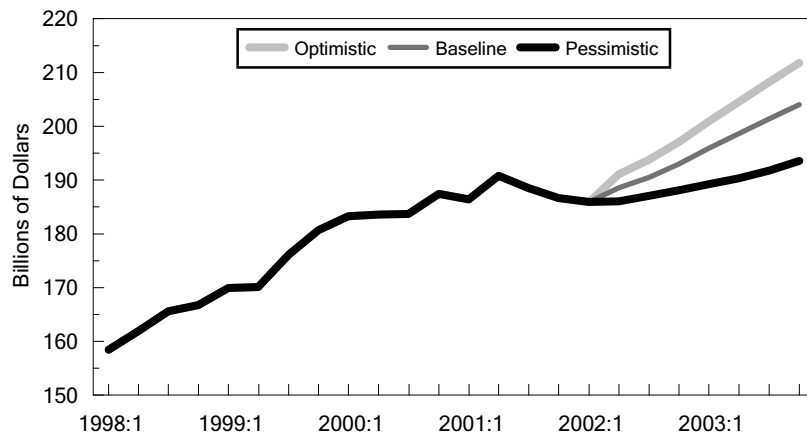


Chart 1.18
Real Personal Income

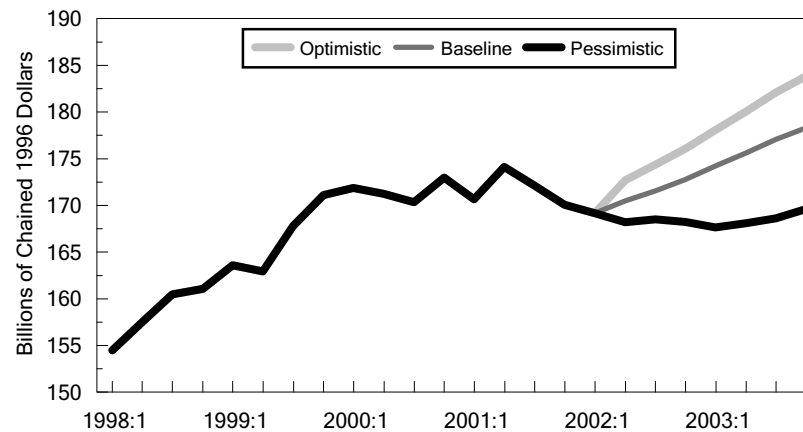


Chart 1.19
Nonagricultural Employment

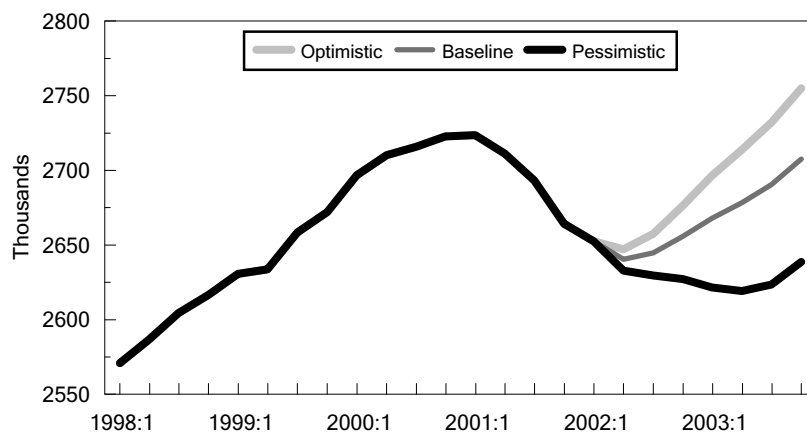
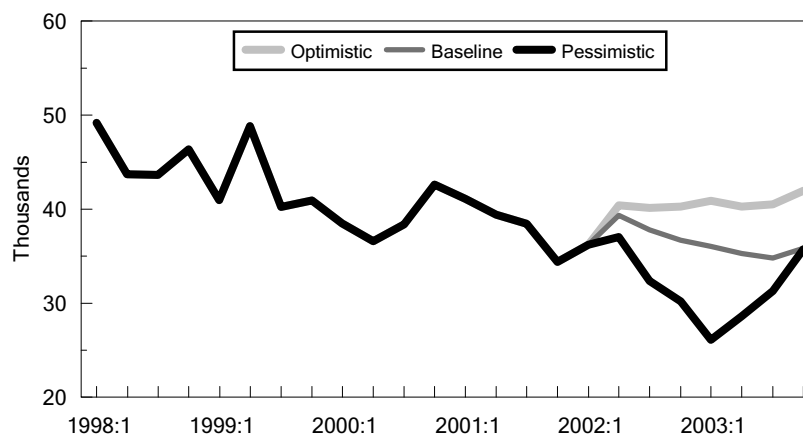


Chart 1.20
Housing Permits



Washington Business Indicators

The National Economy

The U.S. economy grew much faster than expected in the first quarter of 2002. Real Gross Domestic Product (GDP), the broadest measure of economic activity, increased at a 6.1* percent annual rate, more than three times as fast as the 1.7 percent rise in the fourth quarter of 2001. The increase was the largest since the fourth quarter of 1999. Consumer spending continued to grow, increasing at a 3.3 percent annual rate. The increase in consumer spending, however, was at a much slower rate than the 6.1 percent increase in the fourth quarter of 2001, due to the expected drop in durable good purchases, primarily automobiles. Spending on durable goods declined at a 9.4 percent annual rate after having increased 39.4 percent in the last quarter of 2001. Investment spending finally improved, with gross private domestic investment growing at a 24.1 percent annual rate in the first quarter, after having declined for six consecutive quarters. However, this was virtually all due to a change in inventories. Non-residential fixed investment declined at a 0.1 percent annual rate, while residential fixed investment rose at a 0.6 percent annual rate.

Conditions in the manufacturing sector have started to improve. The U.S. Purchasing Managers Index rose from 53.9 in April to 55.7 in May 2002. The index has risen six of the last seven months and has been above 50 (an index above 50 indicates that manufacturing sector is expanding; below 50 indicates it is contracting) the last four months.

Nationally, labor market conditions are still weak. Although the unemployment rate fell in May to 5.8 percent from 6.0 percent in April, it is still expected to rise later in the year despite the recovery. Non-farm employment rose in both April and May, however, the economy has added only 362,000 jobs so far this year. The net loss of jobs is about 1.4 million since the start of the recession in March of 2001. Prices have remained stable. The Consumer Price Index (CPI) was flat in May after increasing 0.6 percent in both March and April. The May 2002 CPI is only 1.2 percent higher than a year ago.

The Conference Board reported that the U.S. Index of Leading Indicators rose 0.4 percent in May 2002. The index has increased ten of the last twelve months. The index now stands at 112.2 (1996=100), 2.7 percent above the year-ago level. In May five of the ten indicators that make up the leading index rose, four declined, and one did not change. The increase in the leading indicator index over the past year supports the forecast of a modest but steady recovery for the economy.

The Conference Board also reported that its Index of Consumer Confidence fell in June 2002.

This is likely due in part to continuing anxiety about jobs, security, and corporate scandals. The index has declined two of the past three months. The index now stands at 106.4 (1985=100). While it is well above its cyclical low of 84.9 (November 2001,) it is still below both its terrorist attack level of 114.0 in August 2001 and the year-ago level of 118.9.

The Federal Open Market Committee (FOMC) has met three times this year. Each time the committee has voted to leave their target for the federal funds rate unchanged at 1.75 percent, its lowest level in 40 years. The Fed cut the Federal Funds rate eleven times in calendar 2001, from 6.5 percent on January 3, 2001 to 1.75 on December 31, 2001 to provide monetary stimulus to a slowing economy. Although the economic recovery is underway, The Fed's monetary policy stance, by leaving its target rate unchanged, continues to be accommodative. While the Fed believes the economy is again expanding and will continue to grow, the strength and durability of the upswing is less clear.

The State Economy and Indicators

While strong first quarter GDP growth clearly shows that the U.S. economy is expanding, the Washington economy remains in recession. Payroll employment declined at a 1.8 percent annual rate in the first quarter of 2002, after declining 4.2 percent in the fourth quarter, 2.6 percent in the third quarter and 1.8 percent in the second quarter of 2001. The state has not seen four quarters of employment declines since the recession of 1982-83. More reductions are likely as significant cuts in aerospace employment lie ahead. The decline in manufacturing employment accelerated in the first quarter of 2002, falling at a 12.0 percent annual rate. It fell 11.1 percent in the fourth quarter of 2001 and has now declined fifteen consecutive quarters after adjusting for the impact of the Boeing strike in the first quarter of 2000. Aerospace employment declined at a 26.4 percent annual rate in the first quarter of 2002. Aerospace employment is expected to continue to fall through the remainder of the biennium. Non-manufacturing employment declined 0.3 percent in the first quarter of 2002, however, its pace of decline appears to be moderating. Non manufacturing employment fell 2.2 percent in the third quarter and 3.2 percent in the fourth quarter of 2001.

Despite weak job growth, the state's unemployment rate declined a little in May. The Washington unemployment rate was 7.1 percent in May, down from 7.2 percent in April and from 7.6 percent in January of 2002. While the state's economy is expected to begin to recovery by the middle of the year, the unemployment rate may not start to fall until late in 2002.

Other state economic indicators have remained weak. The Seattle Times Index of Help-Wanted Advertising has fallen or remained unchanged for the first five months of calendar 2002. The index fell in May to 63 (1987=100) and is 26.6 percent below the year-ago level. Also falling in May were average weekly hours in manufacturing, which declined 40.6 in April to 40.3 in May 2002. Although average weekly hours in manufacturing have fallen two of the last three months, they are still a little above the level a year ago. On the brighter side, the Washington Purchasing Management Index, although it declined a little in May, has increased five of the past six months. The index stands at 61.3 and has been above 50 since March 2002 (a reading below 50 indicates contraction, above 50 indicates expansion.)

Although the Washington's boom monitor index rose both in March and April, it is just slightly above its cyclical low, of 33.3 in February 2002. The boom monitor index is designed to signal when the Washington economy exceeds the limit of sustainable growth. When the index exceeds 50, its long run average, the economy is considered to be expanding above trend. Conversely, a

reading below 50 indicates the economy is growing below its long run average. The April index level is 34.2. The index has been below 50 the last thirteen months and, aside from February and March, is at its lowest level since 1984.

The Washington Index of Leading Indicators was up in May 2002, after four months of decline or no change. This is an encouraging sign and may be a sign that the worst is indeed over. The May index is 96.9 (1996=100.) It is 10.2 percent below its cyclical high of 107.9 reached in January 1999 and 2.2 percent below the year-ago level. Three components of the index contributed to the increase in May, more than offsetting the four components that declined. These were: the exchange rate (declined, but positive for the index), housing starts and the U.S. index of leading indicators. The four components of the index that fell in May were: average weekly hours in manufacturing, the Seattle Times Help-Wanted index, initial claims for unemployment insurance (increased, but was negative for the index,) and aerospace employment.

**This is based on the most recent data from the Bureau of Economic Analysis (the final GDP estimates for the first quarter of 2002 released June 27, 2002.) The June 2002 economic forecast was based on the advanced GDP release which showed a 5.8 percent increase in real GDP in the first quarter of 2002.*

Washington State Economic Indicators

Chart 2.1
Year-over-Year Employment Growth
January 1980 to May 2002

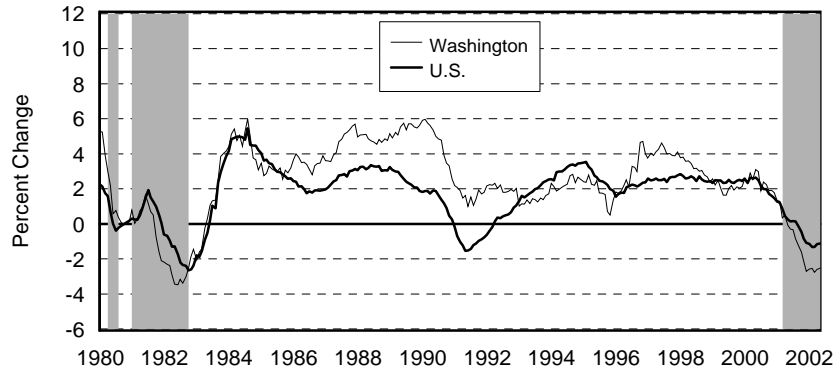


Chart 2.2
Washington Aircraft and Parts Employment
January 1958 to May 2002

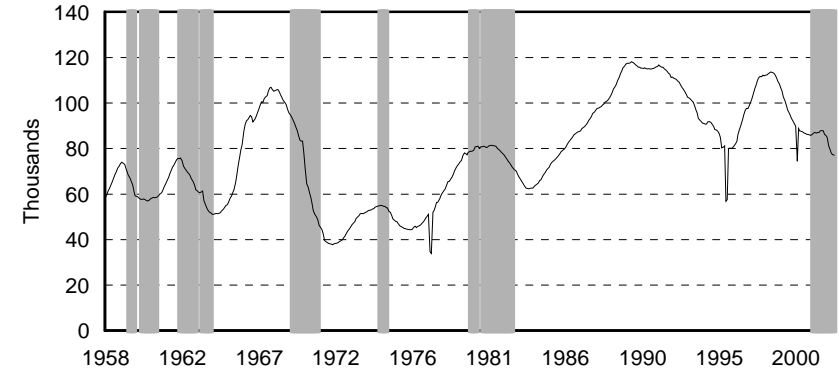


Chart 2.3
Unemployment Rate, S.A.
January 1980 to May 2002

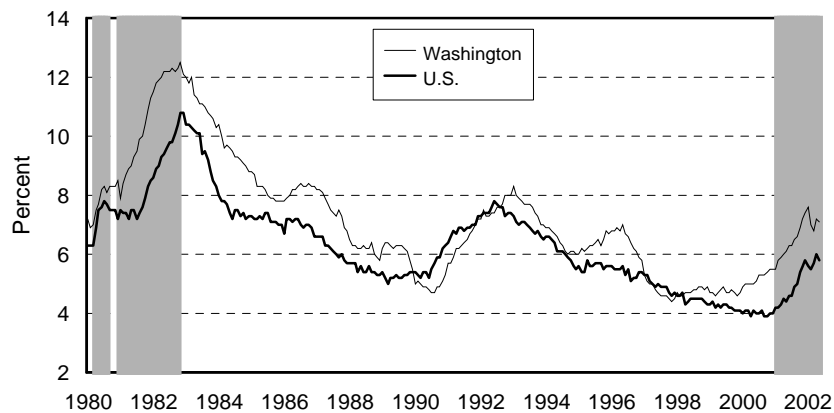
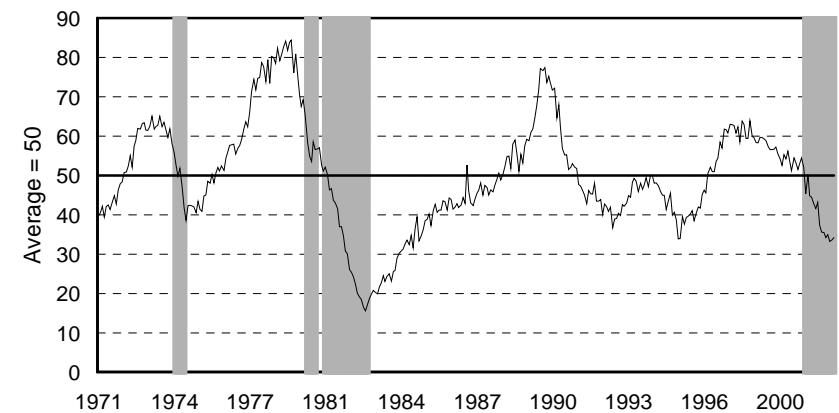


Chart 2.4
Washington Boom Monitor Composite Index
July 1971 to April 2002



* Shaded areas correspond with Washington employment downturns.

Washington State Leading Indicators

Chart 2.5
The Washington and U.S. Indexes of Leading Indicators
January 1970 to May 2002

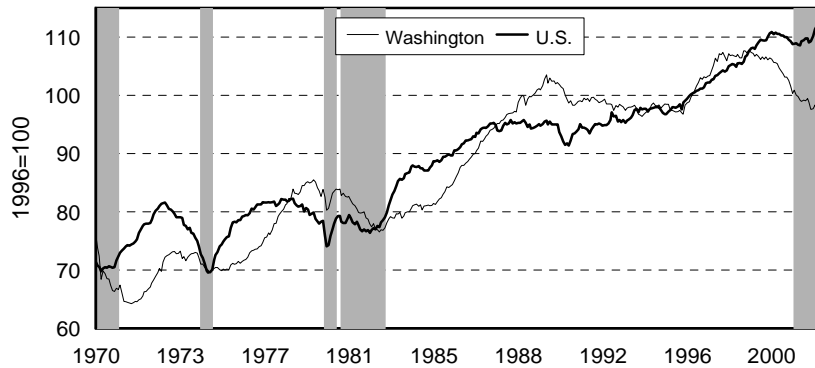


Chart 2.6
Washington Initial Claims for Unemployment Insurance
January 1970 to May 2002

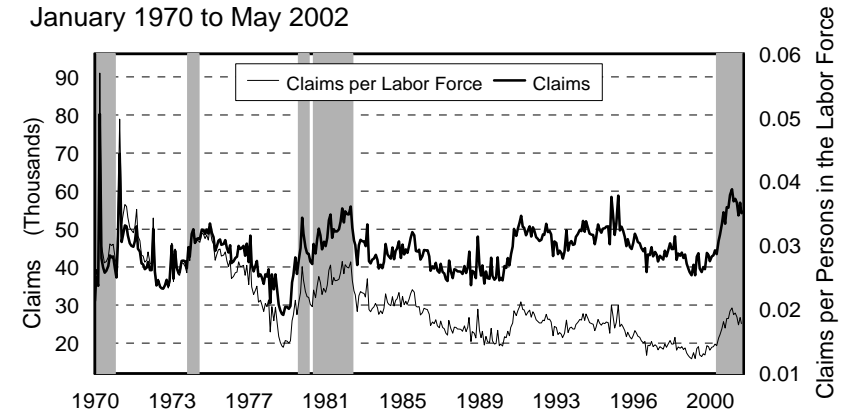


Chart 2.7
Seattle Times and U.S. Help-Wanted Advertising Indexes
January 1970 to May 2002

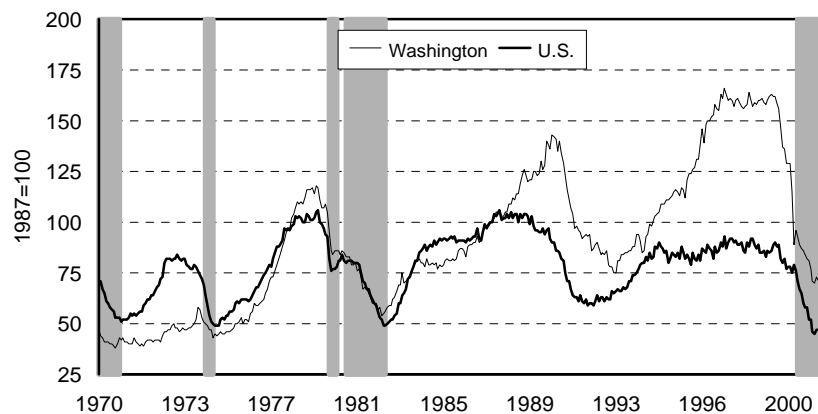
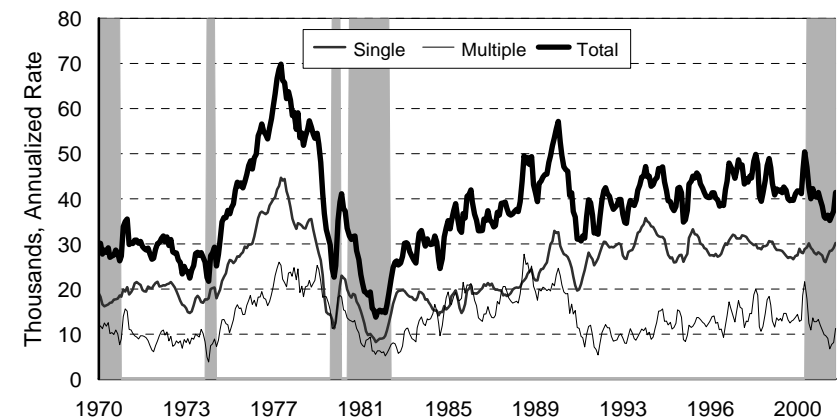


Chart 2.8
Housing Units Authorized in Washington State
January 1970 to May 2002, 3-Month Moving Average



Shaded areas in all charts correspond with Washington employment downturns.

Other State Economic Indicators

Chart 2.9
Average Weekly Hours in Manufacturing
 January 1970 to May 2002, 3-Month Moving Average, SA

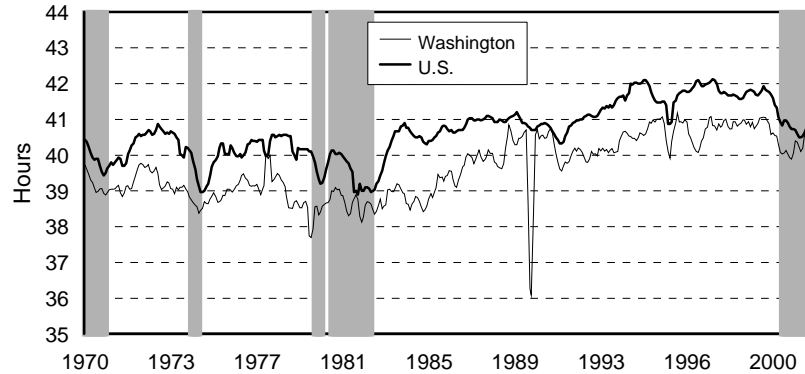


Chart 2.10
Washington Driver's License Migration
 September 1983 to May 2002, 12-Month Moving Average

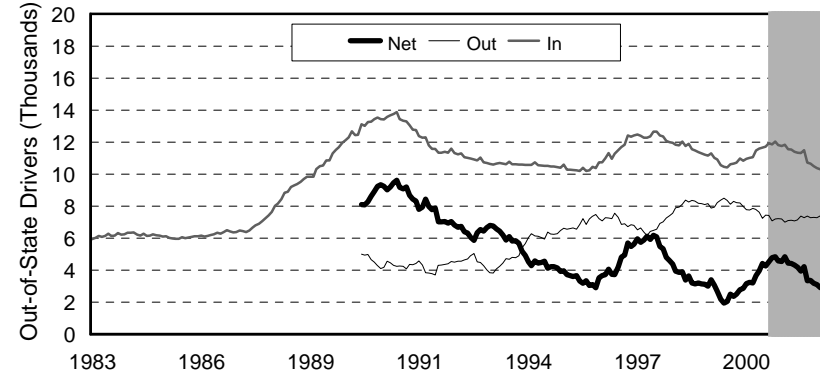


Chart 2.11
New Car and Truck Registrations in Washington
 January 1977 to April 2002, 6-Month Moving Average

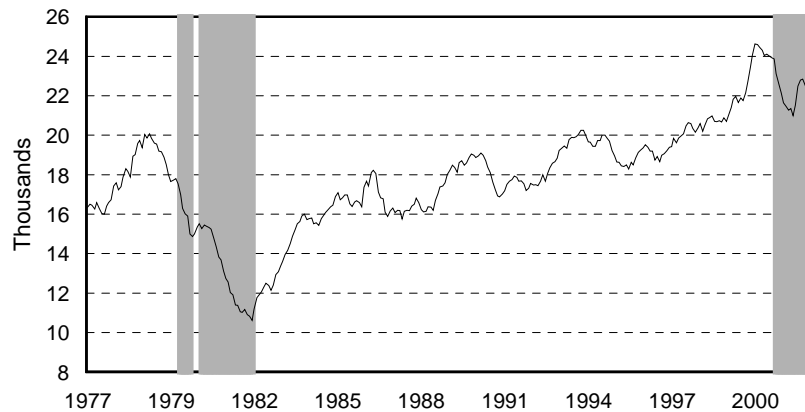
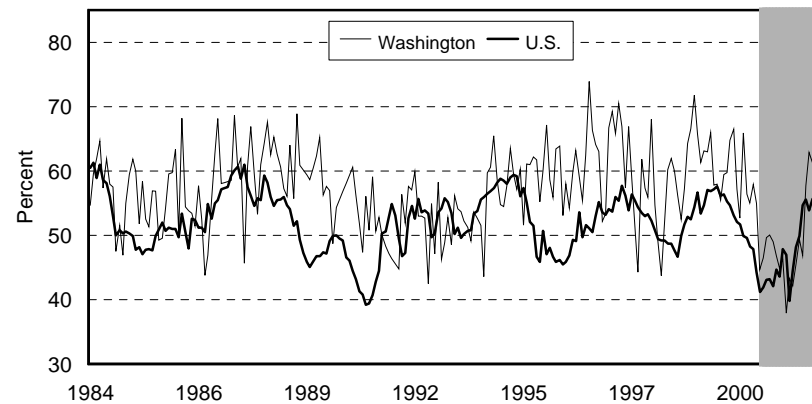


Chart 2.12
Purchasing Management Composite Index
 January 1984 to May 2002



* Shaded areas correspond with Washington employment downturns.

Other Economic Indicators

Chart 2.13
Quarterly U.S. Real GDP Growth
1970 Q1 to 2002 Q1

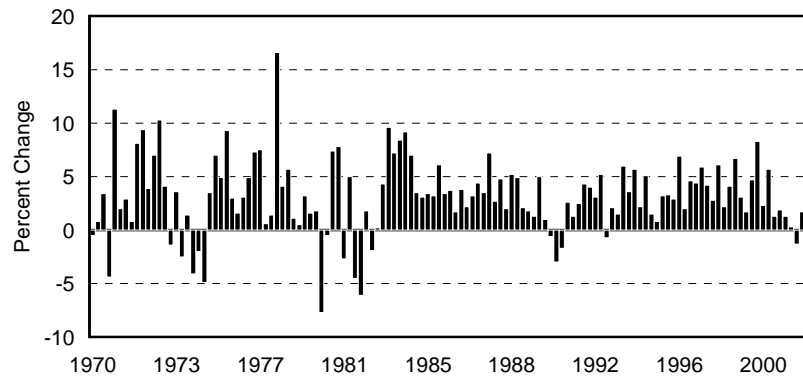


Chart 2.14
Washington State Export Composition
Change from Same Quarter Year Ago

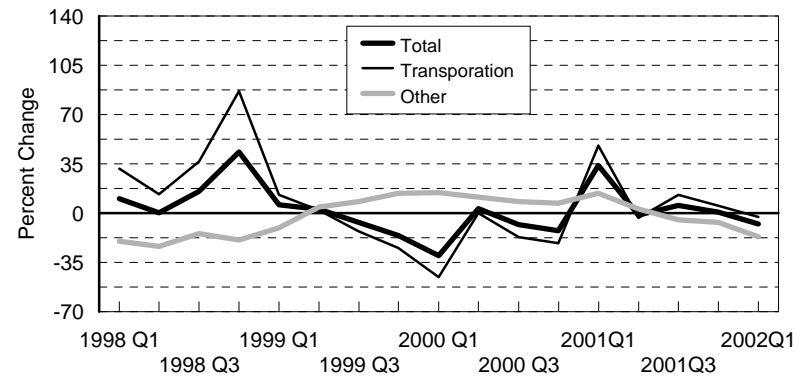


Chart 2.15
U.S. Economic Indicators*
January 1970 to May 2002

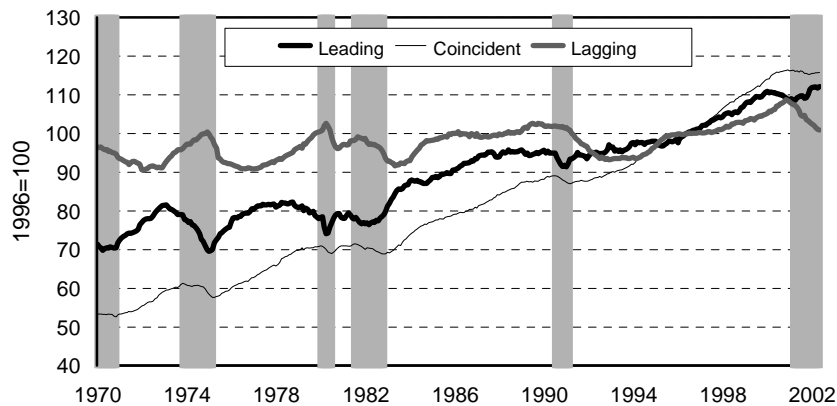
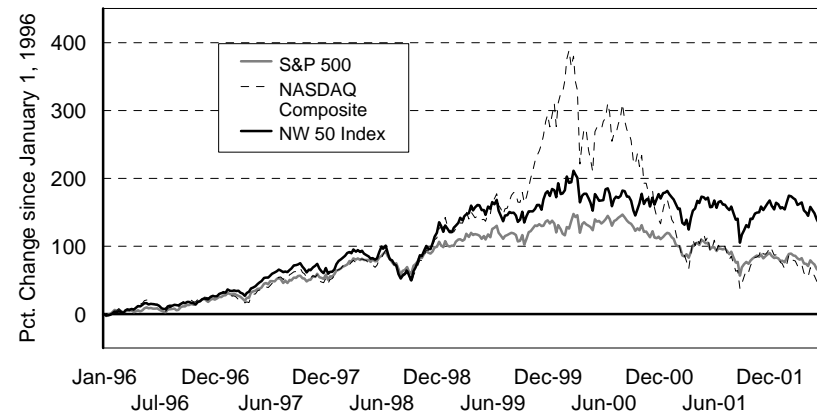


Chart 2.16
Northwest 50 Regional Stock Index vs. National Indices
January 1, 1996 to June 21, 2002



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Other Economic Indicators

Chart 2.17
Federal Funds Target Rate
October 1, 1990 to June 28, 2002

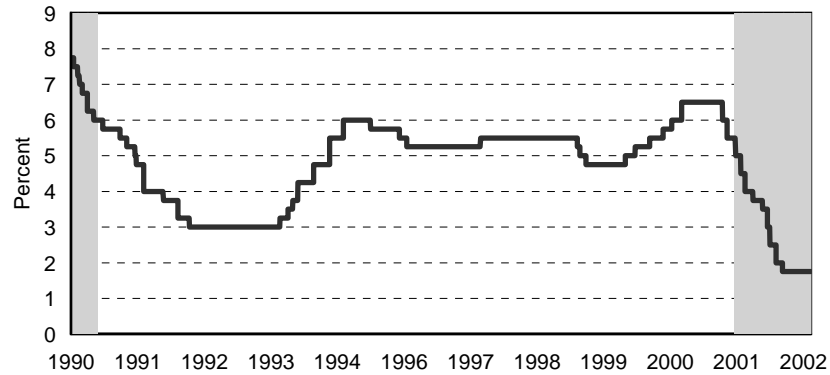


Chart 2.18
Consumer Confidence
January 1978 to June 2002

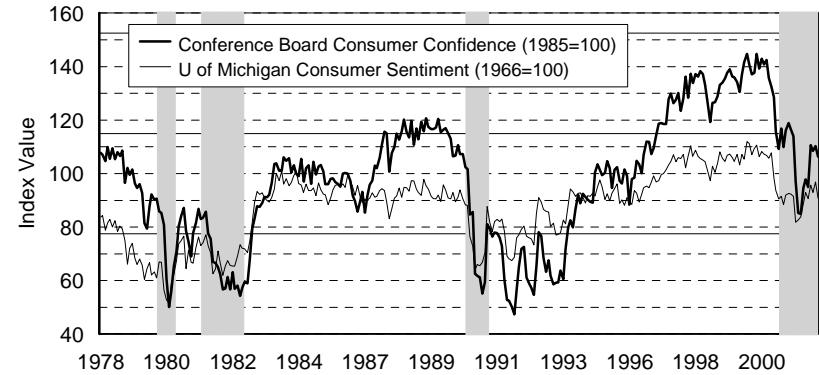
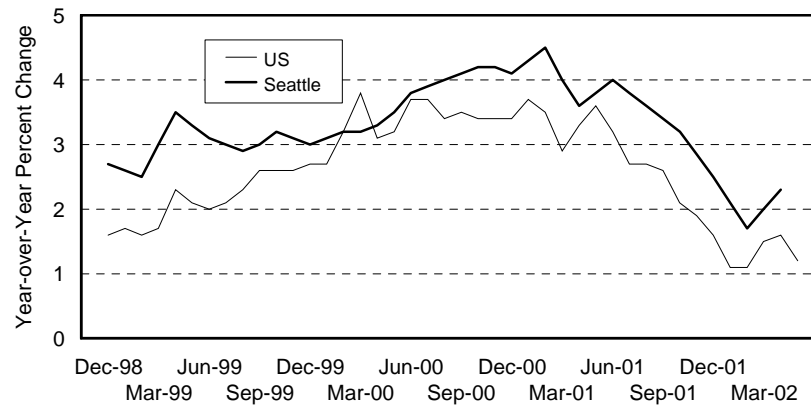


Chart 2.19
Seattle vs U.S. CPI (All Urban Consumers)
December 1998 to May 2002 (Seattle to April 2002)



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Table 2.1

Washington Business Indicators

Historical Data

	Washington Index of Leading Indicators	U.S. Index of Leading Indicators	Seattle Index of Help-Wanted Advertising	U.S. Index of Help-Wanted Advertising	Washington Purchasing Management Index	U.S. Purchasing Management Index
2000:5	104.7	110.6	147	82	66.5	53.4
2000:6	104.2	110.3	137	80	57.2	51.8
2000:7	103.7	110.3	136	82	52.7	51.9
2000:8	103.2	110.0	129	77	65.9	49.9
2000:9	103.2	110.0	129	78	56.4	48.8
2000:10	102.6	109.6	129	78	55.1	48.0
2000:11	101.7	109.3	115	75	57.9	48.1
2000:12	100.4	108.8	89	79	55.0	44.2
2001:1	100.9	108.9	96	76	44.7	41.7
2001:2	100.1	109.0	93	71	46.5	42.0
2001:3	99.8	108.7	89	67	49.6	43.2
2001:4	99.2	108.6	87	65	50.1	43.2
2001:5	99.0	109.3	86	60	49.0	42.3
2001:6	99.2	109.5	84	58	46.8	44.3
2001:7	99.1	109.8	82	58	44.9	43.9
2001:8	99.5	109.8	81	52	46.4	47.9
2001:9	98.9	109.1	77	52	37.9	46.2
2001:10	97.6	109.3	71	46	43.3	39.5
2001:11	97.7	110.2	70	45	42.1	44.7
2001:12	98.4	111.4	73	47	45.5	48.1
2002:1	97.3	111.9	71	47	49.4	49.9
2002:2	97.2	112.0	71	47	46.9	54.7
2002:3	96.6	112.1	66	46	57.7	55.6
2002:4	96.6	111.8	65	47	62.9	53.9
2002:5	96.9	112.2	63	45	61.3	55.7

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Washington State Revenue Forecast Summary

Introduction

The Economic and Revenue Forecast Council approved a \$55.6 million increase to the General Fund-State (GFS) revenue forecast at its June 18, 2002 meeting. The June revision was comprised of an \$85.1 million increase for the 2001-03 biennium partially offset by a \$29.5 million reduction to the outlook for the 2003-05 biennium. Although small, this was the first increase in the General Fund-State revenue forecast since November 2000. The Washington economy appears to be nearing the end of the recession, although the latest employment and income data show the recession in Washington was more severe than believed in February. While the economy was a little weaker, revenue collections were a little stronger than expected in the last four months and was the primary reason for the increase to the GFS revenue for the current biennium. In addition to the change to the revenue outlook, due to economic factors and collections experience, legislation enacted during the 2002 legislative session increased the forecast for the 2001-03 biennium by \$93.2 million and added \$204.8 million to the forecast for the 2003-05 biennium.

The June 2002 General Fund-State revenue forecast now expects \$21,140.2 million in the 2001-03 biennium. This is \$122 million, 0.6 percent, less than what was collected the 1999-01 biennium. While this decline reflects tax law changes (e.g. Initiatives 728, 747

Table 3.1 Revision to the General Fund-State Forecast June 2002 (Millions of dollars)			Cash Basis
	2001-03 <u>Biennium</u>	2003-05 <u>Biennium</u>	Both <u>Biennium</u>
February 2002 Forecast	\$20,961.9	\$22,790.0	
Impact of 2002 legislation ¹	\$93.2	\$204.8	\$298.0
Revenue Forecast-adjusted for legislation	<u>\$21,055.1</u>	<u>\$22,994.8</u>	
June 2002 Forecast*	\$21,140.2	\$22,965.2	
June 2002 forecast change	\$85.1	(\$29.6)	\$55.5

¹ The General Fund-State impact of legislation enacted during the 2002 legislative session.

*Detail may not add to totals due to rounding

and 773, and legislative changes) as well as a weaker economy, revenue growth, excluding law changes, would still be by far the weakest since the recession-plagued 1981-83 biennium.

The increase to the GFS forecast in June along with expenditure reductions and other legislative action results in a projected unrestricted ending balance of \$342.7 million for the General Fund at the close of the 2001-03 biennium. In addition, the Emergency Reserve Balance on June 30, 2003 is now projected to total \$55.1 million. In February, there was a \$993.7 million cash deficit projected for the General Fund for the 2001-03 biennium while the Emergency Reserve ending balance was projected to total \$384.4 million. The \$342.7 million unrestricted ending balance now projected assumes a beginning balance of \$599.7 million, the June 2002 revenue forecast of \$21,140.2 million, a biennial appropriations level of \$22,451.2, (including the 2002 Supplemental Budget reduction of \$332.1 million) and \$1,054.6 million of transfers to the General Fund, including three new transfers enacted during the 2002 legislative session. While appropriations for the biennium still exceed revenue, the combination of a positive beginning balance plus a variety of new transfers into the General Fund now results in a positive unrestricted ending balance of \$342.7 million, and when combined with the Emergency Reserve Fund, \$397.8 million in total reserves.

The June 2002 GFS forecast for the 2003-05 biennium, which spans the period July 2003 through June 2005 continues to expect economic and revenue growth to rebound. Although the forecast is a little lower than what was expected in February, the economy is still expected to produce significantly more GFS revenue in the 2003-05 biennium than in the 2001-03 budget period. GFS revenue in the 2003-05 biennium is expected to total \$22,965.2 million, \$1.8 billion (8.6 percent) more than in the 2001-03 biennium.

Background and Assumptions

The Washington State GFS revenue forecast is prepared quarterly in conjunction with the state economic forecast for the Economic and Revenue Forecast Council. The Economic and Revenue Forecast Council was created by Chapter 138, Laws of 1984, to provide an objective revenue forecast for both executive and legislative branches of state government. The Council consists of six members, two appointed by the Governor and two appointed by the Legislature from each caucus of the Senate and House of Representatives. Current members of the Economic and Revenue Forecast Council are listed inside the front cover of this publication. The GFS revenue forecast is updated four times per year: March (February in even-numbered years,) June, September, and November. Each state agency engaged in revenue collection is responsible for forecasting the revenue it collects or administers. The staff of the Economic and Revenue Forecast Council is responsible for the preparation of the state economic forecast and the revenue forecast of the Department of Revenue's GFS sources. The staff is also responsible for review and coordination of the revenue forecasts of agencies that collect relatively large amounts of GFS revenue. These are the Department of Licensing, the Office of the Insurance Commissioner, the State Treasurer, the Liquor Control Board and the Office of Financial Management. The Office of Financial Management is responsible for summarizing the forecasts of all other state agencies that collect relatively smaller amounts of GFS revenue.

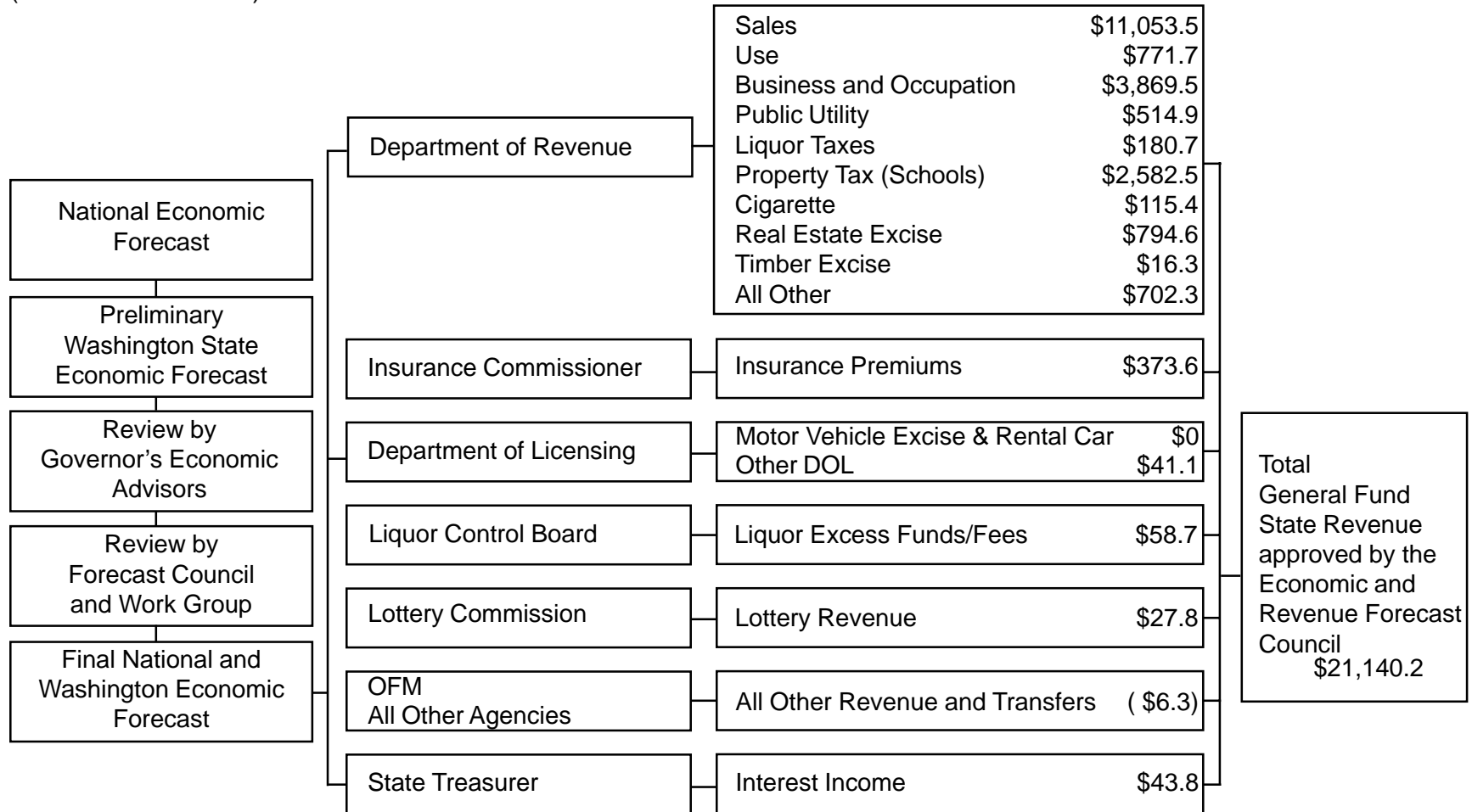
For each quarterly update, the staff of the Economic and Revenue Forecast Council, under direction of the Executive Director, reviews (and if warranted, modifies) a national economic forecast prepared by DRI-WEFA. A state economic forecast is then prepared using an econometric model that links Washington's economy to the national economy. The DRI-WEFA national forecast is the

primary driver for the state economic forecast. After review by the Governor's Council of Economic Advisors, the economic forecast is used to prepare a baseline forecast of GFS revenue. Agencies and the staff of the Forecast Council use the economic forecast, in conjunction with revenue models, to prepare a GFS revenue forecast. The revenue forecasts for most major General Fund sources are prepared using econometric models which link the tax base of major General Fund taxes to the national and state economic forecast. A baseline revenue forecast, along with at least two alternative forecasts, is prepared for all GFS sources and presented to the Forecast Council for approval. Once the Council approves the forecast, it becomes the official forecast of GFS revenue. An outline of the forecast process, including a summary of the June 2002 baseline forecast for the 2001-03 biennium (cash basis) is shown in [Table 3.2](#).

June 2002 Forecast Assumptions

1. The June 2002 GFS revenue forecast is based in part on the economic forecast for the U.S. and the Washington State economies presented in Chapter 1 of this publication. The economic outlook for the state is in part based on the May 2002 DRI-WEFA baseline forecast for the U.S. economy.
2. The June 2002 GFS revenue forecast is based on current law and administrative practices. The June forecast includes the impact of legislation enacted during the 2002 legislative session. Legislation increased GFS revenue for the 2001-03 biennium by \$93.2 million and it increased revenue for the 2003-05 biennium by \$204.8.0 million. (See [Table 3.12](#).)
3. Under provisions of Initiative 728, passed by the voters in November 2000, lottery revenue were dedicated to a newly created Student Achievement Account and to the School Construction Account. Prior to Initiative 728, lottery revenue went into the General Fund. Under provisions of E2SSB 6560, enacted during the 2002 legislative session, the state will participate in a multi-state lottery game. Proceeds from this new game will go the General Fund, after a guaranteed amount is transferred to the Student Achievement Account and the School Construction Account. Part II of [Table 3.17](#) summarizes the lottery sales forecast and distributions by fund.
4. There are several legal challenges to various aspects of the state's tax laws or administration. Most of these challenges are in litigation and either have not yet been ruled on by the courts or are on appeal. Any impact on GFS receipts will not be incorporated into the forecast until the issue has been completely resolved.
5. Revenue from higher education tuition and fees was removed from the General Fund in July 1992. Since 1992, revenues from tuition and fees have been placed into the operating fund of each individual college or university. Because of this change, there is a large discontinuity in the time series of GFS revenue beginning with the 1991-93 biennium. Tuition and fees are included in only one year of the 1991-93 biennium's GFS revenue total and are excluded from total GFS revenue after fiscal year 1993.
6. There have been several legislative and other non-economic changes affecting actual GFS receipts for the last few biennia as well as the forecast for the 2001-03 and the 2003-05

Table 3.2
Economic and Revenue Forecast Flow Chart*
 General Fund-State
 2001-03 Biennium
 (Amounts in millions)



* Cash Basis

biennia. Receipts for the 1997-99 biennium were reduced by \$549 million by legislation enacted during the 1996, 1997 and 1998 legislative sessions. New legislation and other non-economic changes (e.g. referendum 49) reduced GFS revenue for the 1999-01 biennium by \$568 million. As of June 2002, legislation and other non-economic changes have reduced the forecast of GFS revenue for the 2001-03 biennium by \$399 million. Legislative changes have reduced GFS revenue for the 2003-05 biennium by \$204.8 million. In addition, the effect of Initiative 728 property tax transfers on GFS revenue accelerates in the 2003-05 biennium. These transfers have a disproportional effect on GFS revenue for the 2003-05 biennium relative to the 2001-03 biennium. I-728 transfers grow from \$267.0 million in the 2001-03 biennium to \$567.6 million in the 2003-05 biennium (See part I of [Table 3.17.](#))

Recent Collection Experience

Revenue collections in the four months since the February forecast were \$104.0 million higher than expected. Revenue Act collections (retail sales, business and occupation, use, public utility, and tobacco products taxes), were \$70.5 million (2.9 percent) higher than expected. Non Revenue Act taxes, primarily, property, estate and the real estate excise tax, were \$32.5 million (4.8 percent) higher than expected. However, there are a couple of reasons this relatively large positive variance is not necessarily indicative of the strength of the economy. Nearly a third of the variance was due to a couple of special factors. In April there were three unusually large audit payments totaling \$26.4 million. While these payments increased overall revenue, they were of a one-time nature and are not reflective of current economic activity. In addition an accounting adjustment increased unclaimed property receipts by \$5.3 million in April. Excluding these items, the Revenue Act variance was \$44.1 million (1.8 percent) and the Non Revenue Act variance was \$27.2 million (4.0 percent.) In addition to the special factors, the variance is likely overstated due to a change in the timing of property tax payments. The higher than normal payments the last four months will likely be offset at least partially by less than normal payments in future months. Revenue Act receipts in the last four months benefited from stronger than expected consumer spending and aircraft production and deliveries. It is likely that some of the stronger than ex-

Table 3.3

Collection Variance, February 11 - June 10, 2002

Based on the February 2002 Forecast

(Millions of dollars)

<u>Agency/Source</u>	<u>Collection Variance*</u>	<u>Percent of Estimate</u>	<u>Adjusted Variance**</u>	<u>Percent of Estimate</u>
Department of Revenue				
Revenue Act ¹	\$70.5	2.9%	\$44.1	1.8%
Non Revenue Act ²	\$32.5	4.8%	27.2	4.0%
Subtotal	<u>\$103.0</u>	<u>3.3%</u>	<u>71.3</u>	<u>2.3%</u>
Department of Licensing ²	\$1.0	13.2%	1.0	13.2%
Total**	\$104.0	3.3%	\$72.3	2.3%

¹ Revenue Act taxes consists of retail sales, business and occupation, use, public utility and tobacco products taxes as well as penalty and interest receipts. The variance is based on collections February 11, 2001 through June 10, 2002.

² Variance based on February 2002 through May 2002 collections.

Major Non-Revenue Act sources include: state property tax levy, real estate excise tax and estate tax.

* Collection variance: actual tax payments compared to monthly estimates based on the February 2002 forecast.

** Variance, adjusted for special factors.

pected activity and revenue during the last four months will be offset at least partially by a little slower growth over the next few quarters.

Revenue collections, while doing better than expected in the February forecast, were still quite weak. Collections in the four months since the February forecast (January through April business activity) were 1.6 percent below the year-ago level (after adjusting for special factors.) This was an improvement from the 2.5 percent decline during the last six months of calendar 2001 and better than the 3.4 percent assumed in the February forecast. The positive variance in Revenue Act receipts was more the result of an overly pessimistic outlook for spending in the first quarter of 2002 than to a significant improvement in the level of economic activity. While both sales and business and occupation tax revenue likely declined over the last four months, preliminary data indicates most of the positive variance was due to less than expected decline of taxable retail sales.

Preliminary tax payment data of the state's largest taxpayers for the most recent monthly collection period (May 11- June 10, 2002) which primarily reflects April 2002 business activity indicate strength in most retailing sectors and weakness in virtually all non-retailing sectors. Preliminary data show the retailing category, which on average accounts for roughly half of all excise tax payments, was up about 5.0 percent from the year-ago level, while non-retailing sectors, as a whole, declined nearly 4 percent. Within retail trade, all major sectors other than food stores and furniture and household equipment stores reported higher tax payments than a year ago. The auto/gasoline sector reported a very strong 9.5 percent increase and building materials/hardware retailers reported an even stronger 14.0 percent increase. All major non-retailing sectors reported year-over-year declines in excise tax payments this month. Most of the declines were in the low to mid-single digit range, with wholesalers reporting the largest decline, 8.2 percent.

Real estate activity based on real estate excise tax data has been positive the last few months, producing more than expected real estate excise tax revenue. So far, relatively low mortgage rates have offset the effects of a weak economy. Statewide, real estate activity, based on real estate closings subject to the state real estate excise tax, has been up three of the last four months, although, because the one month of decline was very large, it is still down 1.3 percent for the year-to-date. The weakness is solely due to weak prices. The number of real estate transactions are up 8.9 percent for the first four months of calendar 2002, while the average price per transaction has declined 8.4 percent. The growth in the number of transactions so far this year, is the strongest since 1998.

General Fund-State taxes collected by the Department of Licensing (primarily revenue from licenses and fees) were \$1.0 million above the February forecast during the last four months. During this period, Department of Licensing General Fund collections were 7.4 percent above the year-ago level.

The General Fund-State Forecast for the 2001-03 and the 2003-05 Biennia

The economy has been in recession since the first quarter of 2001. While the recession was mild at the national level, with only one quarter of declining real output, the Washington economy was hit much harder. Employment and income growth in Washington has been very weak. Real income rose only 0.1 percent in calendar 2001 and wage and salary employment declined 0.5 percent. While the U.S. economy has started to recover, the state's economy is not expected to hit bottom until mid-year primarily because more job cuts in the aerospace sector still lie ahead.

The state is experiencing its first real downturn since the early 1980's. Both and economic and revenue growth are expected to be by far, the weakest since the 1981-83 biennium. Wage and salary employment, which increased 4.3 percent in the 1999-01 biennium, is expected to decline 1.5 percent in the 2001-03 budget period. Similarly, real personal income is expected to grow only 0.4 percent in the 2001-03 biennium after having increased 8.9 percent in the 1999-01 period. The weak economy translates directly into less General Fund-State revenue. The forecast of GFS revenue for the 2001-03 biennium is expected to total \$21,140.2 million. This is \$121.9 million, 0.6 percent, less than what was collected in the 1999-01 biennium. Although GFS revenue in the 2001-03 biennium has been significantly reduced due to various tax law changes, including the passage of Initiative 728, as well as initiatives 747 and 773, much of the weakness in GFS revenue growth is due to the weak economy. GFS revenue in the 2001-03 biennium after adjusting for the impact of major tax law changes is expected to be only 1.9 percent above the 1999-01 biennium. Inflation adjusted growth of the retail sales adjusted tax base is projected to decline 1.4 percent for the biennium. This is the first decline since it fell 9.1 percent in the 1981-83 biennium. It grew 8.5 percent in the 1999-01 biennium. Inflation adjusted growth of the business and occupation adjusted tax base is projected to decline even more, 3.5 percent in the 2001-03 biennium. This is also the worst showing since the 1981-83 biennium.

The June 2002 forecast for the 2003-05 biennium, which spans the period July 1, 2003 to June 30, 2005, is similar to the February 2002 forecast. A moderate expansion is expected to be well underway for both the U.S. and the Washington economies by the start of the 2003-05 biennium, State personal income and employment growth are expected to be well above the depressed levels experienced during the 2001-03 biennium. However, while economic growth is expected to improve, it is not expected to be great. The aerospace industry, the state's largest manufacturing sector, is not expected to start to recover until 2004. Even then, its recovery will be very weak. Many of the jobs lost in this industry during this downturn will not return in the 2003-05 biennium. This will contribute to a little less than average employment and income growth in

Table 3.4 General Fund-State Collections* (Millions of dollars)					Cash Basis
<u>Biennium</u>	<u>Current Dollars</u>	<u>Percent Change</u>	<u>1996 Chained Dollars</u>	<u>Percent Change</u>	
1961-63	\$817.1		\$3,362.6		
1963-65	866.2	6.0%	3,478.7	3.5%	
1965-67	1,128.6	30.3%	4,357.5	25.3%	
1967-69	1,440.5	27.6%	5,200.4	19.3%	
1969-71	1,732.7	20.3%	6,188.5	19.0%	
1971-73	1,922.1	10.9%	6,345.8	2.5%	
1973-75	2,372.4	23.4%	6,772.5	6.7%	
1975-77	3,395.0	43.1%	8,445.1	24.7%	
1977-79	4,490.0	32.3%	9,785.8	15.9%	
1979-81	5,356.4	19.3%	9,716.5	-0.7%	
1981-83	6,801.4	27.0%	10,729.6	10.4%	
1983-85	8,202.4	20.6%	11,952.7	11.4%	
1985-87	9,574.6	16.7%	13,127.7	9.8%	
1987-89	10,934.1	14.2%	13,919.4	6.0%	
1989-91	13,309.0	21.7%	15,561.1	11.8%	
1991-93	14,862.2	11.7%	16,237.3	4.3%	
1993-95	16,564.6	11.5%	17,296.8	6.5%	
1995-97	17,637.7	6.5%	17,638.8	2.0%	
1997-99	19,620.1	11.2%	19,028.2	7.9%	
1999-01	21,262.1	8.4%	19,791.5	4.0%	
2001-03 ^F	21,140.2	-0.6%	19,043.2	-3.8%	
2003-05 ^F	22,965.2	8.6%	19,765.3	3.8%	

^F June 2002 Forecast

* Total General Fund-State collections-cash receipts basis. Includes rate, base and administrative changes. Modified cash basis: 1985-87 and prior; pure cash basis: 1987-89 and after. Changes among biennia may not be comparable because the collection totals shown here include the impact of rate, base and administrative changes.

Sources: Dept. of Revenue and the Office of Financial Management.
The Office of the Forecast Council's June 2002 Forecast.

the 2003-05 biennium. State personal income is expected to increase 11.2 in the 2003-05 biennium, up from the 3.8 percent increase projected for the 2001-03 biennium. Similarly wage and salary employment growth is expected to increase 3.4 percent in the 2003-05 biennium after declining 1.5 percent in the current biennium. The outlook for GFS revenue is expected to improve along with the economy. However, like the economy, revenue growth is expected to be moderate. GFS revenue in the 2003-05 biennium is expected to total \$22,965.2 million. This is \$1.8 billion (8.6 percent) more than in the 2001-03 biennium. Adjusting for legislation and initiatives, GFS revenue is expected to grow 9.4 percent.

Washington has no personal or corporate income tax. Three taxes: sales and use, business and occupation and the property tax (state school levy) comprise the majority of Washington's GFS revenue. These three taxes accounted for more than 85 percent of the \$21.3 billion total GFS cash receipts in the 1999-01 biennium. This percentage is expected to rise to 86.5 percent of total GFS revenue in both the 2001-03 and the 2003-05 biennia. The jump in the 2001-03 biennium is primarily due to a change in the disposition of lottery proceeds. Prior to the 2001-03 biennium, the majority of Lottery proceeds were deposited into the General Fund. Due to Initiative 728, beginning in fiscal 2002, most lottery proceeds will be deposited in the Student Achievement Account and the School Construction Account instead of the General Fund. The state's reliance on sales, business and occupation, and property taxes has increased over time, rising from 80 percent in the 1991-93 biennium and from 75 percent twenty years ago. The retail sales and use tax, the state's largest revenue source generated \$11.7 billion, 55.0 percent of total GFS revenue in the 1999-01 biennium. Sales and use taxes are expected to produce \$11.8 billion, 55.9 percent of total GFS revenue in the 2001-03 biennium. Sales and use tax is expected to total \$13.0 million and account for 56.8 percent of GFS revenue in the 2003-05 biennium. The business and occupation tax totaled \$3.8 billion in the 1999-01 biennium, 17.7 percent of total GFS revenue. This tax is expected to produce \$3.9 billion, 18.3 percent of the total in the 2001-03 biennium and \$4.4 billion, 19.1 percent of GFS revenue in the 2003-05 biennium. The state share of the property tax totaled \$2.7 billion, 12.5 percent of total GFS revenue in the 1999-01 biennium. It is forecast to produce \$2.6 billion in the 2001-03 biennium, 12.2 percent of total GFS revenue and \$2.5 million, 10.7 percent of total GFS revenue in the 2003-05 biennium. The reduction in the property tax share of total GFS receipts reflects the impact of I-728, which transfers a portion of the state property tax levy from the General Fund to the Student Achievement Account. The amount of the state levy transferred from the General Fund to the Student Achievement Account rises rapidly from \$267.0 million in the 2003-03 biennium (the first biennium affected by the I-728 transfer) to \$567.6 million in the 2003-05 biennium. (See [Table 3.17.](#))

Taxable sales (sales subject to the 6.5 percent state retail sales tax) totaled \$22.4 billion in the fourth quarter of 2001. This was 0.9 percent below the year-ago level. Last quarter taxable sales were 2.3 percent below the year-ago level. Taxable sales have now declined on a year-over-year basis for three consecutive quarters. This has not happened since the 1982-83 recession. The decline in taxable sales is in sharp contrast to activity nationally. U.S. retail sales increased 5.4 percent in the fourth quarter and 2.7 percent in the third quarter on a year-over-year basis. Preliminary data indicate U.S. retail sales increased 3.2 percent in the first quarter. The June 2002 forecast assumes that taxable sales in Washington were again below the year-ago level in the first quarter of 2002. Although the make-up of U.S. retail sales and taxable sales in Washington State are quite different there usually is a loose correlation between the growth of these series over time. This clearly has not been the case recently. The significant difference in the behavior of these two series

Chart 3.1
General Fund-State Revenue

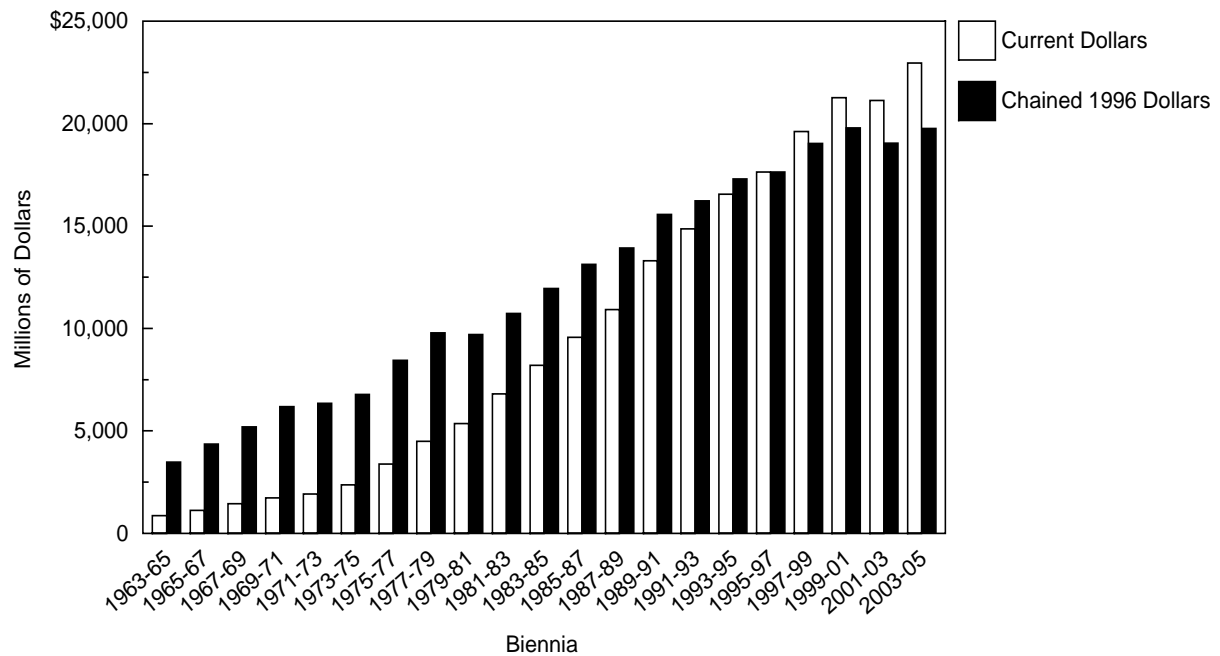


Chart 3.2
General Fund-State Revenue - Percent Change

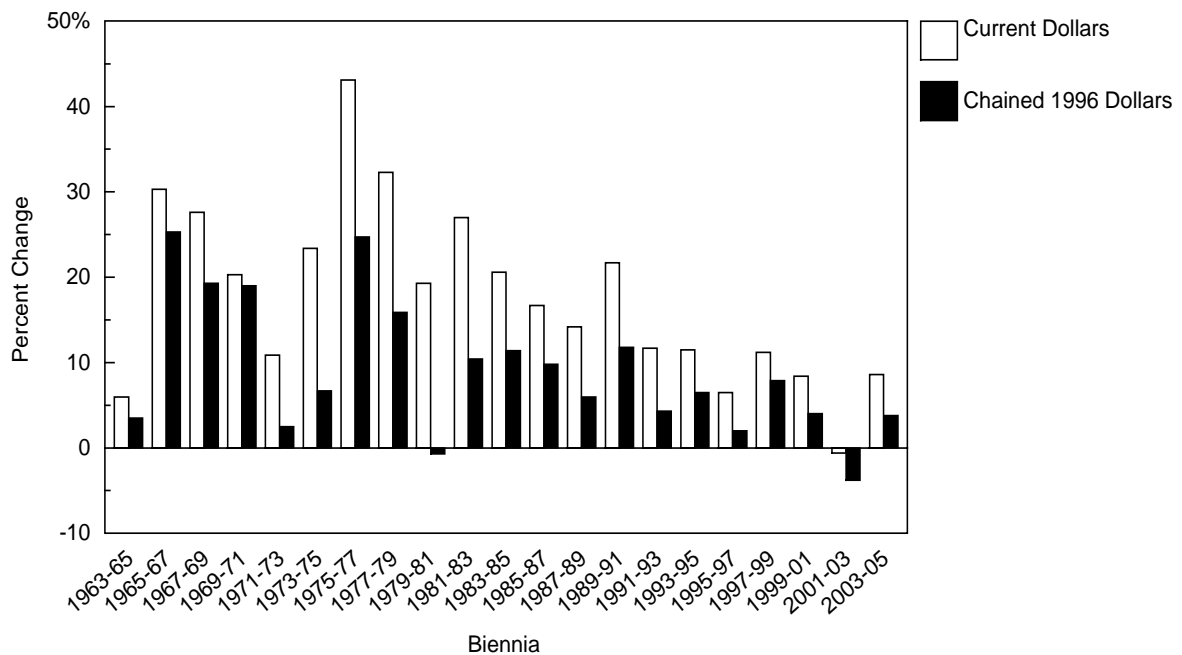


Chart 3.3
Composition of General Fund-State Revenue

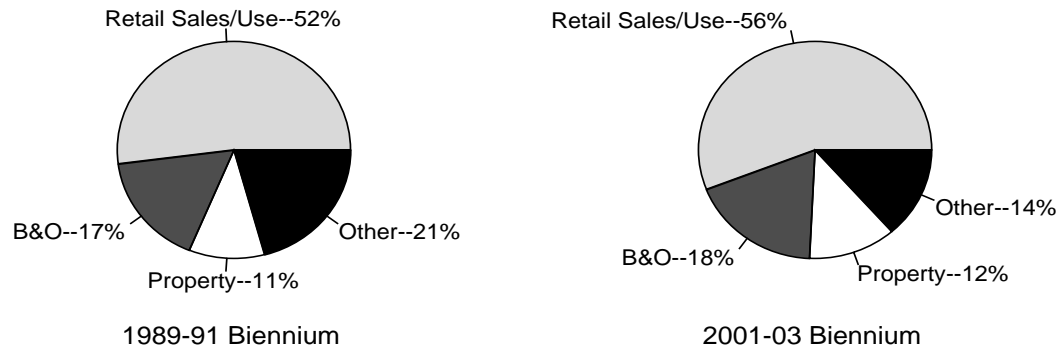
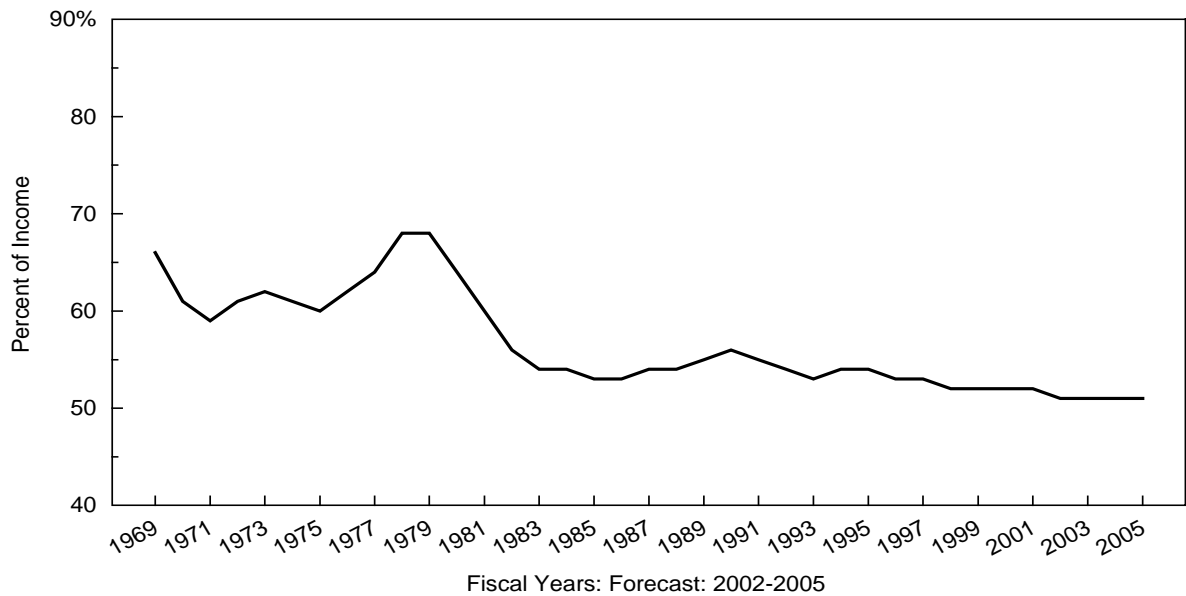


Chart 3.4
Taxable Sales* as a Percent of Personal Income



* Adjusted Base

since the second quarter of 2001 highlights the current weakness of the Washington's economy relative to the national economy.

An analysis of the growth of taxable sales in the fourth quarter of 2001 shows the retail trade sector, which accounts for about half of all taxable sales, was 2.6 percent above the year-ago level. This follows three quarters in which taxable sales of retailers have either been flat or have declined. The increase in the fourth quarter was primarily due to strong auto sales, which benefited from huge and unprecedented manufacturer sales incentives. Taxable sales in the auto/gasoline sector jumped 14.8 percent in the fourth quarter, following declines the past three quarters. Although most other major retailing sectors increased in the fourth quarter, the rate of growth was much less. Building materials/hardware stores reported a 3.0 percent increase in taxable sales in the fourth quarter and general merchandise retailers reported a 1.7 percent increase in taxable sales. As was the case last quarter, taxable sales reported by furniture and appliance retailers were below the year-ago level in the fourth quarter (11.1 percent.) Miscellaneous retailers also reported 0.5 percent year-over year decline. Overall, taxable sales reported by non-retailing sectors declined 4.7 percent. The year-over-year change varied widely among sectors. The contract construction sector, which accounts about 15 percent of all taxable sales, reported a 7.7 percent decline in the fourth quarter. This follows a 4.3 percent decline last quarter. Taxable sales reported by the service sector were 0.5 percent below the year-ago level in the fourth quarter of 2001, after increasing just 0.7 percent in the third quarter. This sector continues to be hurt by weakness in the travel sector. Hotel/motel establishments reported a 9.2 percent drop in taxable sales in the fourth quarter, following a 3.1 percent drop in the third quarter. Taxable sales reported by the manufacturing sector were down 2.6 percent in the fourth quarter while the finance, insurance and real estate sector reported a 13.2 percent increase. Taxable sales reported by the transportation, communications and utility sector declined 1.2 percent and taxable sales reported by wholesalers declined 9.6 percent in the

Table 3.5
Taxable Retail Sales*
June 2002 Forecast
(Millions of Dollars)

Fiscal Year	Amount	Percent Change
1974	11,877	
1975	13,380	12.7%
1976	15,493	15.8%
1977	17,626	13.8%
1978	21,121	19.8%
1979	22,309	5.6%
1980	24,057	7.8%
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,929	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,385	8.0%
2001	85,633	2.7%
2002 ^F	84,403	-1.4%
2003 ^F	86,678	2.7%
2004 ^F	91,393	5.4%
2005 ^F	97,004	6.1%

^F Forecast.

* Actual Base. Includes statutory and administrative changes to the tax base. Historical fiscal year data are from quarterly taxable sales reported by taxpayers on the state's Combined Excise tax return. Major base changes include: exemption of off-premises food, beginning 1978:3 (fiscal 1979); extension of the sales tax base to off premises food (1982:2 to 1983:2); food again exempt 1983:3 (fiscal 1984.) Base extended to some personal services effective July 1994. Exemption of manufacturing equipment effective fiscal 1996. Additional sales tax exemptions (including an exemption for R&D equipment) effective fiscal 1997. Changes in reporting effective 1997. Additional exemptions effective 1999, 2000, 2001 and 2002. Additions to the base due to increased compliance efforts effective fy 2003.

fourth quarter. This is the fifth consecutive quarterly decline reported by this sector.

Taxable sales in the state's three largest counties (King, Snohomish and Pierce) were 3.3 percent lower than a year ago in the fourth quarter of 2001. Taxable sales increased 3.7 percent in the rest of the state. Taxable sales declined 6.8 percent in King County. Taxable sales growth remained positive in Pierce County, increasing a strong 6.2 percent and in Snohomish County, increasing 1.4 percent. Taxable sales in Spokane County increased 1.2 percent. Eastern Washington counties as a whole reported taxable sales growth of 4.2 percent in the fourth quarter compared to a 1.9 percent decline west of the Cascades. Taxable sales were down 1.6 percent in metropolitan counties in the fourth quarter while increasing 3.3 percent in non-metropolitan counties.

In the late 1990's the state enjoyed a very strong economy. Technology was red-hot, construction was booming and aerospace employment reached a cyclical high. Strong income and employment growth resulted in very good years for taxable sales. Taxable sales increased 8.0 percent in fiscal 1998, 7.1 percent in fiscal 1999 and 8.0 percent in fiscal 2000. Taxable sales growth began to rapidly decelerate in the second half of calendar year 2000 as the U.S economy began to slow and job losses started to mount in Washington's hi-tech and aerospace sectors. This deceleration has turned into outright declines. Taxable sales have declined on a year-over-year basis the last three quarters and are expected to decline for the next two as well. Taxable sales grew only 2.7 percent in fiscal 2001. While the outlook for fiscal 2002 expects taxable sales to decline 1.4 percent, this is not quite as bad as expected in the February forecast.

Although the national economy likely has already started to recover, the state's economy has not. A rebound of taxable sales depends on the willingness of consumer and business to spend. Any real improvement in spending will not occur until job growth resumes. This is expected to be in mid 2002. The June forecast expects taxable sales growth to recover in fiscal 2003, along with the economy. The improvement will be moderate, with taxable sales expected to increase 2.7 percent in fiscal 2003. The forecast expects taxable sales growth to continue to improve next biennium. Taxable sales are expected to increase 5.4 percent in fiscal 2004 and 6.1 percent in fiscal 2005.

Forecast Change for the 2001-03 and the 2003-05 Biennia

The June 2002 forecast for GFS revenue for the 2001-03 budget period is \$178.3 million higher than in February 2002. The change is comprised of a \$85.1 million increase primarily due to higher than expected collections in the last four months and a \$93.2 million increase due to 2002 legislation. Revised employment and income data show that the state's economy was worse than believed when the February forecast was produced. Both state income and employment for 2001 are now lower than assumed in February. For the 2001-03 biennium, the effect of lower employment and income numbers were more than offset by higher than expected revenue in the first four months of 2002.

The June 2002 forecast for the 2003-05 biennium is also above the February forecast. The combination of a \$204.8 million increase due to 2002 legislation and a \$29.5 million reduction due to a lower employment and income forecast results in a \$175.2 overall increase to the forecast of GFS revenue for the 2003-05 biennium.

Table 3.6 summarizes the changes to the June 2002 cash forecast for the 2001-03 and 2003-05 biennia by type of change. **Tables 3.7** and **3.8** summarize revisions to the GFS revenue forecast for the 2001-03 biennium by agency and source of revenue. **Table 3.7** is on a cash basis and **Table 3.8** is on a GAAP basis. **Table 3.9** and **3.10** summarize the change to the GFS revenue forecast for the

2003-05 biennium by agency and source. [Table 3.9](#) is on a cash basis and [Table 3.10](#) is on a GAAP basis. [Table 3.11](#) provides a fiscal year forecast by major revenue source (cash basis) and [Table 3.12](#) summarized the impact of legislation enacted during the 2002 legislative session on GFS revenue. Below is a brief summary of changes to the forecast due to legislation and by agency.

Legislative Changes to the Forecast

The impact of tax law changes enacted during the 2002 Regular Session of the 257th Legislature on GFS revenue totaled \$298.0 million. The forecast for the 2001-03 biennium (fiscal year 2003) was increased \$93.2 million while the forecast for the 2003-05 biennium was raised \$204.8 million. The impact of tax law changes on GFS revenue since the February forecast are summarized in [Table 3.12](#). Below is a brief summary of the tax law changes with the largest GFS impact.

Engrossed Substitute Senate Bill 6387 (ESSB 6387,) the Supplemental Operating Budget, increases funding for the Department of Revenue with the intention of generating additional GFS revenue. The funding is for additional staff for audit, compliance, tax discovery, and taxpayer education programs. This additional funding is expected to increase GFS revenue by \$46.4 million in the 2001-03 biennium (fiscal 2003) and by \$106.1 million in the 2003-05 biennium.

Senate Bill 6835 clarifies use tax liability on activities performed outside the state on items used in Washington. There were three major areas covered. The first deals with the repair activities performed outside the state. The legislation makes it clear that items repaired outside of Washington that are brought into the state for use here are subject to the Washington use tax. Secondly, the bill specifically imposes use tax on direct-mail advertising circulars that are printed outside the state but are distributed to Washington residents with the intention of promoting sales of goods or services to Washington residents. Finally the bill specifically includes delivery charges as part of the use tax base and subject to the use tax. SB 6835 is expected to increase GFS revenue \$27.2 million in the 2001-03 biennium (fiscal 2003) and by \$58.4 million in the 2003-05 biennium.

Engrossed Second Substitute Senate Bill 6560 (E2SSB 6560) allows the Lottery Commission to participate in a shared game. Prior to enactment, the lottery Commission was not allowed to participate in shared or multi-state games. As a result of this legislation, the state will begin participating in the Big Game multi-state lottery game in September 2002. This legislation is expect to increase GFS revenue by \$27.8 million in the 2001-03 biennium (fiscal 2003) and by \$64.0 million in the 2003-05 biennium. Revenue from the multi-state game is intended to go to the General Fund. However, the legislation stipulates that if the amount of revenue available from existing games for transfer to the Student Achievement and School Construction Accounts falls below \$102 million per year, revenue from the shared lottery game will be used to bring the total revenue for these funds up to \$102 million per fiscal year. Part II of [Table 3.17](#) shows the distribution of lottery proceeds, after allocation to prizes and expenses, by fund.

Senate Bill 6591 closes a potential loophole in the tobacco products tax statute. It revises the tax on tobacco products other than cigarettes (cigars, pipe tobacco etc) by extending it to all persons who are engaged in the business of selling of tobacco products and who handle such products upon which the tax has not previously been imposed. Prior to enactment, the tobacco products tax was imposed on the “first distributor”. The intent of this legislation is to prevent distributors from acquiring tobacco products directly from persons immune from the tax (e.g. Indian tribal vendors) and thereby avoid payment of the tax. This is expected to increase GFS revenue by \$2.4 million in fiscal 2003 and by \$5.9 million in the 2003-05 biennium. The tobacco products tax was reduced by

Table 3.6

Summary of Changes to the General Fund-State Forecast

June 2002 Cash Forecast

(Millions of dollars)

		June 2002 Change
<u>I. 2001-03 Biennium</u>		
<i>Collection Experience</i>		\$104.0
Department of Revenue		
Major Excise ¹	70.5	
Other ²	32.5	
Department of Licensing ²	1.0	
<i>Additional Revenue due to 2002 legislation</i>		93.2
Department of Revenue	69.5	
Other Agencies	23.7	
<i>Forecast Change for remainder of the 2001-03 Biennium</i>		(\$18.9)
Department of Revenue	(48.6)	
All other	29.8	
Total Change: 2001-03 Biennium		\$178.3
<u>II. 2003-05 Biennium</u>		
<i>Additional Revenue due to 2002 legislation*</i>		
Department of Revenue	154.2	\$204.8
Other Agencies	50.6	
<i>Forecast Change for remainder of the 2001-03 Biennium</i>		
Department of Revenue	(52.5)	(\$29.5)
All other	23.0	
Total Change: 2003-05 Biennium*		\$175.3
<u>Total Change: Both Biennium</u>		\$353.6

* The General Fund-State impact of legislation enacted during the 2002 legislative session.

¹ Based on collections February 11-June 10, 2002; retail sales, B&O, use & public utility taxes.² Variance based on collections February 2002 through May 2002.

Table 3.7

Comparison of the General Fund-State Forecast by Agency
2001-03 Biennium; Cash Basis
(Millions of dollars)

Forecast by Agency	February 2002 Forecast¹	Non- Economic Changes²	Revision	June 2002 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$10,986.4	12.7	\$54.5	\$11,053.5	\$67.1
Business & Occupation Use	3,914.9	18.2	(63.6)	3,869.5	(45.4)
Public Utility	727.8	30.1	13.8	771.7	43.9
Liquor Sales/Liter	499.5	0.8	14.6	514.9	15.4
Cigarette	180.7		0.0	180.7	0.0
Property (State Levy)	113.9		1.5	115.4	1.5
Real Estate Excise	2,581.9		0.6	2,582.5	0.6
Timber Excise	789.9		4.7	794.6	4.7
Other	15.6		0.7	16.3	0.7
Subtotal	667.1	7.8	27.4	702.3	35.2
	20,477.6	69.5	54.3	20,601.4	123.9
<i>Department of Licensing</i>					
Boat excise, licenses & fees	41.0	0.0	0.1	41.1	0.1
<i>Insurance Commissioner</i>					
Insurance Premiums	365.7		7.8	373.6	7.8
<i>Liquor Control Board</i>					
Liquor Profits and Fees	55.6	(0.4)	0.3	55.4	(0.2)
Beer & Wine Surtax	3.3		0.0	3.3	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0	27.8	0.0	27.8	27.8
<i>State Treasurer</i>					
Interest Earnings	21.9	0.0	21.9	43.8	21.9
<i>Office of Financial Management</i>					
Other	(3.2)	(3.8)	0.7	(6.3)	(3.1)
<u>Total General Fund-State *</u>	<u>\$20,961.9</u>	<u>\$93.2</u>	<u>\$85.1</u>	<u>\$21,140.2</u>	<u>\$178.3</u>

¹ The General Fund State Revenue Forecast adopted by the Economic and Revenue Forecast Council in February 2002.

² The General Fund-State impact of 2002 legislation.

* Detail may not add to totals due to rounding.

Table 3.8

**Comparison of the June 2002 Forecast to the February 2002 Forecast
2001-03 Biennium; GAAP Basis**

(Millions of dollars)

Forecast by Agency	February 2002 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2002 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$11,030.8	\$12.7	\$54.7	\$11,098.2	\$67.4
Business & Occupation Use	3,936.1	18.2	(63.9)	3,890.4	(45.7)
Public Utility	727.7	30.1	13.8	771.5	43.9
Liquor Sales/Liter	501.6	0.8	14.8	517.1	15.6
Cigarette	181.6	0.0	0.0	181.6	0.0
Property (State Levy)	114.4	0.0	1.5	115.9	1.5
Real Estate Excise	2,577.2	0.0	0.4	2,577.6	0.4
Timber Excise	794.1	0.0	4.7	798.8	4.7
Other	15.6	0.0	0.7	16.3	0.7
Subtotal	667.3	7.8	26.8	702.0	34.6
	20,546.5	69.5	53.5	20,669.6	123.1
<i>Department of Licensing</i>					
Boat excise, licenses & fees	41.7	(0.0)	(0.4)	41.3	(0.4)
<i>Insurance Commissioner</i>					
Insurance Premiums	365.7	0.0	7.8	373.6	7.8
<i>Liquor Control Board</i>					
Liquor Profits and Fees	55.6	(0.4)	0.3	55.4	(0.2)
Beer & Wine Surtax	3.3	0.0	0.0	3.3	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0	27.8	0.0	27.8	27.8
<i>State Treasurer</i>					
Interest Earnings	15.9	0.0	23.5	39.4	23.5
<i>Office of Financial Management</i>					
Other	(3.3)	(3.8)	0.7	(6.4)	(3.1)
<u>Total General Fund-State *</u>	<u>\$21,025.5</u>	<u>\$93.2</u>	<u>\$85.4</u>	<u>\$21,204.1</u>	<u>\$178.6</u>

1 The General Fund State Revenue Forecast adopted by the Economic and Revenue Forecast Council in February 2002.

2 General Fund-State impact of 2002 legislation.

* Detail may not add to totals due to rounding.

Table 3.9
Comparison of the General Fund-State Forecast by Agency
2003-2005 Biennium; Cash Basis
(Millions of Dollars)

Forecast by Agency	February 2002 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2002 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$12,071.2	\$28.4	\$48.3	\$12,147.9	\$76.7
Business & Occupation	4,417.3	40.4	(80.0)	4,377.6	(39.6)
Use	822.8	65.3	(2.7)	885.5	62.6
Public Utility	530.1	1.9	7.6	539.6	9.5
Liquor Sales/Liter	184.3		0.0	184.3	0.0
Cigarette	99.5		1.5	101.0	1.5
Property (State Levy)	2,455.0		(4.9)	2,450.1	(4.9)
Real Estate Excise	909.4		(19.7)	889.7	(19.7)
Timber Excise	9.2		0.6	9.8	0.6
Other	726.5	18.1	(3.1)	741.5	15.0
Subtotal	22,225.3	154.2	(52.5)	22,327.0	101.7
<i>Department of Licensing</i>					
Boat excise, licenses & fees	42.6	(0.0)	0.2	42.8	0.2
<i>Insurance Commissioner</i>					
Insurance Premiums	397.9	0.0	6.3	404.2	6.3
<i>Liquor Control Board</i>					
Liquor Profits and Fees	55.7	0.0	1.8	57.5	1.8
Beer & Wine Surtax	3.5	0.0	0.0	3.5	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0	64.0	0.0	64.0	64.0
<i>State Treasurer</i>					
Interest Earnings	45.2	(0.2)	3.3	48.3	3.1
<i>Office of Financial Management</i>					
Other	19.9	(13.2)	11.4	18.1	(1.8)
<u>Total General Fund-State *</u>	\$22,790.0	\$204.8	(\$29.5)	\$22,965.2	\$175.2

1 The General Fund-State forecast for the 2003-05 biennium adopted February 2002.

2 The impact of 2002 legislation on 2003-05 General Fund-State revenue.

* Detail may not add to totals because of rounding.

Table 3.10

**Comparison of the General Fund-State Forecast by Agency
2003-2005 Biennium; GAAP Basis**

(Millions of dollars)

Forecast by Agency	February 2002 Forecast¹	Non- Economic Changes²	Forecast Revision	June 2002 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$12,119.7	\$28.4	\$48.3	\$12,196.4	\$76.7
Business & Occupation Use	4,437.6	40.4	(80.0)	4,397.9	(39.7)
Public Utility	826.6	65.3	(2.7)	889.2	62.6
Liquor Sales/Liter	533.7	1.9	7.6	543.2	9.5
Cigarette	184.6		(0.3)	184.2	(0.3)
Property (State Levy)	99.6		1.5	101.1	1.5
Real Estate Excise	2,455.0		(4.7)	2,450.3	(4.7)
Timber Excise	913.0		(19.8)	893.3	(19.8)
Other	9.2		0.6	9.8	0.6
Subtotal	727.5	18.1	(3.2)	742.4	14.9
	22,306.5	154.2	(52.9)	22,407.8	101.3
<i>Department of Licensing</i>					
Boat excise, licenses & fees	42.7	(0.0)	0.1	42.8	0.1
<i>Insurance Commissioner</i>					
Insurance Premiums	397.9	0.0	6.3	404.2	6.3
<i>Liquor Control Board</i>					
Liquor Profits and Fees	55.7	0.0	1.8	57.5	1.8
Beer & Wine Surtax	3.5	0.0	0.0	3.5	0.0
<i>Lottery Commission</i>					
Lottery Revenue	0.0	64.0	0.0	64.0	64.0
<i>State Treasurer</i>					
Interest Earnings	47.8	(0.2)	1.8	49.4	1.6
<i>Office of Financial Management</i>					
Other	19.9	(13.2)	11.4	18.1	(1.8)
<u>Total General Fund-State*</u>	\$22,873.9	\$204.8	(\$31.4)	\$23,047.2	\$173.3

¹The General Fund-State forecast for the 2003-05 biennium adopted February 2002.² The General Fund-State impact of 2002 legislation.

* Detail may not add to totals due to rounding.

Table 3.11
June 2002 General Fund-State Forecast
2001-03 & 2003-05 Biennia; Cash Basis
(Millions of dollars)

Forecast by Source	Fiscal 2001a	Fiscal 2002	Fiscal 2003	2001-03 Biennium	Fiscal 2004	Fiscal 2005	2003-2005 Biennium
State Taxes							
Retail sales	\$5,503.1	\$5,458.2	\$5,595.3	\$11,053.5	\$5,911.3	\$6,236.6	\$12,147.9
Business & occupation	1,961.6	1,906.4	1,963.1	3,869.5	2,119.1	2,258.5	4,377.6
Use	399.8	378.4	393.3	771.7	428.2	457.2	885.5
Public Utility	259.1	259.4	255.5	514.9	264.7	274.8	539.6
Liquor sales/liter	87.2	89.8	90.9	180.7	91.7	92.6	184.3
Beer & wine surtax	1.6	1.7	1.7	3.3	1.7	1.7	3.5
Cigarette	68.2	62.4	53.0	115.4	51.2	49.8	101.0
Tobacco products	16.7	16.0	14.4	30.4	15.2	15.7	30.9
Property (state school levy)**	1,349.9	1,271.8	1,310.7	2,582.5	1,352.4	1,097.8	2,450.1
Public utility district	29.9	31.5	32.4	63.9	34.3	36.6	71.0
Real estate excise	400.4	397.7	396.9	794.6	422.7	467.0	889.7
Timber excise	15.2	10.0	6.3	16.3	4.9	4.9	9.8
Estate/inheritance	107.1	114.9	104.4	219.3	111.0	114.3	225.3
Motor Veh. Exc. & Rental Car	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Boat excise	11.4	11.5	11.5	23.0	11.8	12.2	24.0
Insurance premiums	179.5	184.2	189.4	373.6	197.5	206.7	404.2
Other	136.5	130.1	128.0	258.1	137.1	145.7	282.9
Total Taxes	10,527.3	10,323.9	10,546.8	20,870.7	11,154.9	11,472.2	22,627.2
State Non-Tax Sources							
Licenses, permits, fees	75.5	76.4	74.5	150.9	82.8	85.7	168.5
Liquor profits & fees	29.1	29.0	26.4	55.4	28.6	28.8	57.5
Earnings on investments	77.1	33.0	10.8	43.8	23.2	25.1	48.3
Lottery transfers	110.0	0.0	27.8	27.8	32.0	32.0	64.0
Other revenue & transfers	9.9	(13.5)	5.0	(8.5)	(0.7)	0.5	(0.2)
Total Non-Tax	301.6	124.9	144.6	269.5	165.9	172.2	338.1
Total General Fund-State *	\$10,828.9	\$10,448.8	\$10,691.4	\$21,140.2	\$11,320.8	\$11,644.4	\$22,965.2

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* Detail may not add to totals due to rounding.

** General Fund-State portion of the state levy AFTER transfers to the Student Achievement Account.

Table 3.12
Summary of the Revenue Impact of 2002 Tax legislation
General Fund-State by Agency
2001-03 Biennium & 2003-05 Biennium; thousands of dollars

		Fiscal 2003	2001-03 Biennium	Fiscal 2004	Fiscal 2005	2003-05 Biennium
Department of Revenue						
ESSB 6387	Budget Driven Revenue: tax education and collection	46,400.0	46,400.0	53,060.0	53,060.0	106,120.0
SB 6835	Use tax on out-of-state activities	27,179.1	27,179.1	28,557.0	29,873.9	58,430.9
SB 6591	Tobacco products tax revision (G.F.impact)	2,369.6	2,369.6	2,835.7	3,110.8	5,946.5
HB 2641	B&O tax on investment income	(3,615.1)	(3,615.1)	(4,796.8)	(5,675.8)	(10,472.6)
2SHB 1531	Clarification of excise taxes on lodging (G.F. impact)	(\$115.9)	(\$144.9)	(\$120.3)	(\$125.1)	(\$245.4)
SB 5082	Rural county local sales tax; Island County	(414.0)	(414.0)	(522.0)	(548.0)	(1,070.0)
3SSB 5514	Extension of state-credited local PFD tax	(725.0)	(725.0)	(1,021.5)	(1,079.5)	(2,101.0)
ESSB 6008	B&O & PUT credits for commute trip reduction restored	(1,500.0)	(1,500.0)	(1,500.0)	(750.0)	(2,250.0)
SSB 6787	Excise tax exemption; organ procurement	(34.2)	(34.2)	(68.4)	(102.6)	(171.0)
Agency Total		69,544.5	69,515.5	76,423.7	77,763.7	154,187.4
State Treasurer						
SHB 2456	Linked Deposit Program	0.0	0.0	(42.0)	(178.0)	(220.0)
Lottery						
ESSB 6387	Shared Game lottery	27,844.0	27,844.0	32,000.0	32,000.0	64,000.0
Liquor Control Board						
ESSB 6387	Budget Driven Revenue: lower excess funds	(429.9)	(429.9)	0.0	0.0	0.0
Department of Licensing						
SSB 6814	Transportation fees	(1.1)	(1.1)	(3.1)	(3.1)	(6.3)
Off. Financial Management						
ESHB 2304	Transportation	(462.0)	(462.0)	(462.0)	(462.0)	(924.0)
2SHB 2338	Drug offense sentencing	0.0	0.0	(4,264.0)	(4,264.0)	(8,528.0)
HB 2425	Comm. economic revitalization board	0.0	0.0	0.0	(200.0)	(200.0)
HB 2438	Running start program	0.0	0.0	19.0	38.0	57.0
SHB 2629	Elevator contractors	22.6	22.6	22.6	22.6	45.1
SSB 6364	Mobile/manufactured homes	35.0	35.0	35.0	35.0	70.0
ESSB 6387	Budget Driven revenue: licensing costs for adult family homes	(3,367.0)	(3,367.0)	(3,367.0)	(3,367.0)	(6,734.0)
ESSB 6008	Transfer from multimodel account to the General Fund	0.0	0.0	1,500.0	1,500.0	3,000.0
SSB 6481	Rental vehicle insurance	10.5	10.5	7.0	7.0	14.0
Agency subtotal:		(3,760.9)	(3,760.9)	(6,509.4)	(6,690.5)	(13,199.9)
Total-all agencies GFS		\$93,196.5	\$93,167.5	\$101,869.1	\$102,892.1	\$204,761.2

these amounts in anticipation of taxpayers taking advance of the loophole in existing law. Enactment of this bill, by closing this loophole, offsets this expected loss in revenue

The Department of Revenue

The Department of Revenue collects and administers the majority of GFS revenue, accounting for more than 97 percent of total GFS revenue for the 2001-03 and 2005-05 biennia. The June 2002 forecast of GFS revenue sources administered and collected by the Department of Revenue is \$123.9 million higher than in February for the 2001-03 biennium and \$101.7 million higher for the 2003-05 biennium. For the 2001-03 biennium, most of the change, \$69.6 million, is due to 2002 legislation. For the 2003-05 biennium, more than the total change, \$154.2 million is due to legislation. There were several law changes due the 2002 session that had an impact on sources of GFS revenue administered and collection by the Department of Revenue. The three largest are ESSB 6387, SB 6835 and HB 2641. ESSB 6387 increased funding for the Department of Revenue in the supplemental operating budget. This funding is intended fund more staff in the tax compliance, audit and taxpayer education efforts by the Department of Revenue. It is expected to increase collections by the agency by \$46.4 million in the 2001-03 biennium (fiscal 2003) and by \$106.1 million in the 2003-05 biennium. SB 6835 clarifies use tax liability and is estimated to increase use tax receipts by \$27.2 million in the 2001-03 biennium (fiscal 2003) and by \$58.4 million in the 2003-05 biennium. HB 2641 simplifies the tax treatment of financial income earned by non-financial business. This is estimated to reduce GFS revenue collected by the Department of Revenue by \$3.6 million in fiscal 2003 and by \$10.5 million in the 2003-05 biennium. All other law changes combined reduce the Department of Revenue forecast by \$1.7 million in the 2001-03 biennium and increase it by \$1.2 million in the 2003-05 biennium.

Tax law changes aside, the change to the Department of Revenue GFS forecast was small. The forecast, excluding legislation, was increased \$54.3 million in the 2001-03 biennium and was reduced \$52.5 million for the 2003-05 biennium. Although estimates of both employment and income were revised down in June, revenue collections were higher than expected collections in the four months since the February forecast, more than offsetting the impact of the lower employment and income on revenue for the 2001-03 biennium. Collections the last four months were \$103.0 million more than expected in February. While some of the higher receipts were due to special factors (unusually large audit payments and an accounting adjustment) and timing, they were high enough to offset a lower employment and income forecast for the remaining five quarters of the biennium. The reduction to the forecast for the 2003-05 biennium was relatively small and primarily reflects the lower employment and income forecast for the 2003-05 biennium.

For the 2001-03 and the 2003-05 biennia combined, the June 2002 forecast is \$225.6 million higher than in February 2002. However, in total, all but \$1.8 million is accounted for by legislative changes. Despite the small overall change, there were some significant revisions to specific revenue sources. The June retail sales forecast is \$143.8 million higher than in February. While \$41.1 million is due to tax law changes, the remainder, \$102.7 million, is due to economic factors and collection experience. Despite the recession, consumer spending has continued to be stronger than expected both nationally and at the state level. While taxable sales have declined, retail sales did not decline as much as expected in the February forecast. An upward revision to actual retail sales collections in the fourth quarter of 2001, stronger collections in the last four months and the subsequent higher base going forward are the reasons for the increase in the retail sales forecast in June.

The opposite is the case for the business and occupation tax forecast. The total reduction to the business and occupation tax forecast for both the 2001-03 and 2003-05 biennium is \$85.0 million. While tax law changes added \$58.6 million, economic changes, including collection experience, reduced the business and occupation (B&O) tax forecast by \$143.6 million. Revised data lowered the reported business and occupation receipts in the fourth quarter of 2001, and slower business and occupation tax growth in the first quarter of 2002 and the subsequent lower base going forward were the primary reasons for the lower B&O tax forecast. Other relatively large changes include: a \$15.1 million increase to the estate tax forecast and a \$19.3 million reduction to the real estate excise tax forecast. Virtually all of the estate tax increase reflects several very large payments over the last four months. The reduction to the real estate tax forecast reflects a weaker housing market later in this biennium and in the 2003-05 biennium. Currently the real estate market is stronger than expected and has generated more real estate excise tax receipts than expected. The effect of relatively low mortgage rates has been more than enough to offset weak income growth and declining employment. Interest rates are expected slowly increase and building permits are expected to fall in fiscal 2003 and 2004 which will slow real estate activity. Other changes include a \$3.0 million increase in the General Fund portion of the cigarette tax and a \$4.3 million reduction to the state levy (property tax) forecast. The cigarette tax increase was primarily due to a smaller decline in consumption than assumed due to the much higher cigarette tax rates imposed by I-773 in November. The reduction to the state levy forecast was primarily due to a revised (higher) estimate of school enrollment in fiscal 2005. Initiative 728 transfers a portion of the state levy to the Student Achievement Account based in part on the number of K-12 students. The higher enrollment forecast means more property tax revenue will be transferred from the General Fund to the Student Achievement account, thereby lowering the GFS property tax forecast.

Department of Licensing

The majority of General Fund-State revenue collected by the Department of Licensing is from professional licenses, boat excise tax, and boat registration. The Department's General Fund-State forecast for the 2001-03 biennium has been increased \$0.1 million to \$41.1 million and its forecast for the 2003-05 biennium has been increased \$0.2 million to \$42.8 million.

The Office of Financial Management (Other Agencies)

The Office of Financial Management (OFM) is responsible for preparing General Fund-State revenue and transfer forecasts for all agencies excluding the Department of Revenue, the Department of Licensing, the Liquor Control Board, the Insurance Commissioner, and the State Treasurer. The office's forecast for the 2001-03 biennium has been decreased \$3.1 million and now stands at negative \$6.3 million. The negative forecast indicates that General Fund revenue and transfers from the General Fund are expected to exceed the revenue and transfers to the General Fund by the agencies overseen by the OFM. The forecasted revenue decrease is due to legislative changes. The OFM's forecast for the 2003-05 biennium has been decreased \$1.8 million to \$18.1 million.

State Treasurer

The forecast and actual experience of the Office of the State Treasurer is based primarily on rate conditions and average daily balances for the funds within the Treasurer's control. The office's forecasted General Fund-State revenues for the 2001-03 biennium were increased \$21.9 million to

\$43.8 million mainly due to higher expected average balances. The office's forecast for the 2003-05 biennium has been increased \$3.1 million to \$48.3 million.

Insurance Commissioner

The forecast for the Office of the Insurance Commissioner is based on projections for premium volume of insurance companies in the State of Washington. Expectations are based on both insurance rate changes and the growth of premium volume. The office's General Fund-State forecast for the 2001-03 biennium was increased \$7.8 million to \$373.6 million due to increased forecasted and actual premium volume. The office's forecast for the 2003-05 biennium was increased \$6.3 million to \$404.2 million.

Liquor Control Board

The Liquor Control Board forecasts revenue from both profits and fees from state-run liquor stores and funds from surtaxes on beer and wine. The agency's forecast for the 2001-03 biennium was decreased by \$0.2 million. The agency's forecast for the current biennium is \$55.4 million from excess funds and fees and \$3.3 million from beer and wine surtaxes. The agency's forecast for the 2003-05 biennium was increased \$1.8 million resulting in a forecast of \$55.7 million from excess funds and fees and \$3.5 million from beer and wine surtaxes.

Lottery Commission

Due to the November 2000 passage of Initiative 728, which dedicated Lottery funds to education and school construction, there were no General Fund-State revenues from the Lottery Commission for all of fiscal year 2002. With the recent passage of Engrossed Second Substitute Senate Bill 6560, however, some Lottery revenues will once again go to the General Fund starting in fiscal year 2003. The bill, effective June 2002, allows the Lottery Commission to participate in the multi-state "Big Game" lottery, which is expected to increase total lottery revenues. Revenues that exceed those previously forecasted for the educational accounts will be transferred to the General Fund. These extra revenues are forecasted at \$27.8 million for the 2001-03 biennium and \$64.0 million for the 2003-05 biennium. The educational accounts will continue to receive the bulk of Lottery revenues with transfers of \$102 million per fiscal year.

Track Record for the 2001-03 Biennium

The June 2002 GFS cash receipts forecast for the 2001-03 biennium is \$21,140.2 million. This is \$178.3 million more than the February 2002 forecast. Most of this change is due to legislation. Excluding legislation, the June 2002 forecast is \$85.1 million more than the February 2002 forecast. The June 2002 forecast is \$1.4 billion below the February 2000 forecast, which was the initial forecast for the biennium. However, some of this reduction reflects non-economic changes. Excluding the impact of non-economic factors, primarily the impact of Initiative 728, and legislative changes, the June 2002 forecast is \$994 million (4.4 percent) lower than the February 2000 forecast. There have been nine revisions to the forecast for the 2001-03 biennium since February 2000. There have been four increases to the forecast (including the June 2002 change) and five reductions. The increase in June is the first increase to the forecast (excluding non-economic changes) since November 2000. [Table 3.13](#) summarizes the changes to the GFS forecast for the 2001-03 biennium since February 2000.

The Relationship between the Cash and GAAP General Fund-State Revenue Forecasts

Legislation enacted in 1987 requires that the state's biennial budget be in conformance with Generally Accepted Accounting Principles (GAAP). It also requires a GFS revenue forecast on both a cash and GAAP basis. Thus, there are two related but distinct GFS forecasts summarized in this chapter: a cash receipts forecast and a GAAP revenue forecast. The primary difference between the cash and GAAP forecasts is timing of the receipt of revenue. On a GAAP basis, revenues are credited to the biennium in which they are earned even though they may not have been received. The cash forecast, on the other hand, reflects expected cash receipts during a fiscal period. The forecast on a GAAP, or accrual, basis is primarily used for financial reporting. The cash forecast is used for cash flow management, revenue tracking and is the forecast used in the state's budgetary balance sheet, which is the principal tool for assessing the General Fund's current surplus or deficit position. References to the GFS forecast in the text of this chapter refer to the cash forecast unless otherwise noted. Likewise, the revenue tables other than Tables 3.8 and 3.10 are on a cash basis.

Table 3.14 compares the cash receipts forecast and the GAAP revenue forecast by agency. GFS revenue for the 1999-01 biennium totaled \$21,287.8 million on a GAAP basis, \$25.8 million higher than the \$21,262.1 million cash receipts total. The GAAP forecast for the 2001-03 biennium is \$21,204.1 million, \$63.9 million more than the \$21,140.2 million cash forecast. The GFS forecast for the 2003-05 biennium is \$23,047.2 million on a GAAP basis, \$82.0 million more than the \$22,965.2 million cash forecast.

Table 3.15 presents the budgetary balance sheet for the 2001-03 biennium. The 1999-01 biennium ended with GFS unrestricted reserves of \$599.7 million. In addition the preliminary Emergency Reserve Fund balance, which requires a two-thirds of the legislature to appropriate, totaled \$462.1 million on June 30, 2001, the end of the 1999-01 biennium. For the 2001-03 budget period, the General Fund unrestricted ending balance is currently projected to total \$342.7 million. In addition the Emergency Reserve Balance is now projected to total \$55.1 million on June 30, 2003. In February, the General Fund was projected to have a cash deficit of \$993.7 million while the Emergency Reserve balance was projected to be \$384.4 million. The current GFS ending balance is based on the June 2002 forecast, and includes legislative actions during the 2002 legislative session. These were a \$332.1 million supplemental Budget reduction, Supplemental Budget and tax law changes that increased GFS revenue by \$93.2 million, a \$450 million increase in resources from Tobacco Securitization, a transfer of \$51.6 million from a variety of state funds to the General Fund and \$325.0 million transfer from the Emergency Reserve Fund to the General Fund. Although the General Fund is now projected to end the biennium with \$342.7 million in unrestricted reserves, revenue collected in the 2001-03 biennium is forecast to be \$21,140.2 million, well below the reduced appropriations level of \$22,451.2 million. Both revenue and appropriations for the 2001-03 biennium are below the adjusted I-601 expenditure limit.

Alternative Forecast for the 2001-03 Biennium

The June 2002 baseline forecast assumes the current recession in Washington will be mild and short with a recovery beginning in the second half of calendar 2002. The recovery could turn out to be sooner and stronger than assumed in the baseline or it could turn out to be later and weaker than

Table 3.13

Track Record for the 2001-03 General Fund-State Cash Forecast

February 2000 through June 2002

(Millions of dollars)

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies*</u>	<u>Subtotal*</u>	<u>Legislation**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2000****	\$21,728	\$805				\$22,534
Changes to Forecast						
June 2000	99	(25)	74	(3) ¹	71	22,604
September 2000	158	(1)	157	5 ²	162	22,766
November 2000	32	12	43	(482) ³	(439)	22,327
March 2001	(126)	2	(124)	12 ⁴	(112)	22,216
June 2001	(61)	(29)	(89)	(27) ⁵	(116)	22,099
September 2001	(101)	6	(96)	18 ⁶	(77)	22,022
November 2001	(698)	(81)	(779)	(34) ⁷	(813)	21,209
February 2002	(269)	3	(266)	19 ⁸	(247)	20,962
June 2002	54	31	85	93 ⁹	178	21,140
Total Change***						
From February 2000	(\$912)	(\$82)	(\$994)	(\$399)	(\$1,394)	
Percent change	-4.2%	-10.2%	-4.4%	-1.8%	-6.2%	

* Excludes legislative, judicial, statutorily required or other major non-economic changes.

** Includes legislative, judicial, statutorily required or other major non-economic changes.

*** Detail may not add to total due to rounding.

**** First official forecast for the 2001-03 biennium.

1 Impact of 2000 legislation. Note the impact of the Telepage court case (extending the sales tax to paging services.) This impact is included as a Department of Revenue forecast change.

2 Revised impact of the salmon recovery timber tax credit.

3 Impact of Initiatives 722 and 728. The estimate of initiative 728 is based on OFM analysis, subject to continuing review.

4 Adjustment to the impact of Initiatives 722 and 728.

5 Impact of 2001 legislation (regular session) and the phase-out of the Federal estate tax.

6 Impact of 2001 legislation (special session.)

7 Impact of I-747 and I-773 on GFS revenue.

8 Adjustment to the estate tax.

9 General Fund-State impact of 2002 legislation.

Table 3.14
June 2002 Baseline Forecast by Agency
Comparison of Cash and GAAP Basis
(Millions of dollars)

Agency	1999-01 Biennium			2001-03 Biennium			2003-05 Biennium		
	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.
General Fund - State Cash/Revenue Sources									
Department of Revenue ³	\$20,342.3	\$20,355.3	\$12.9	\$20,532.2	\$20,600.4	\$68.2	\$22,266.9	\$22,347.7	\$80.8
Department of Licensing	42.6	42.4	(0.2)	41.1	41.3	0.2	42.8	42.8	0.0
Insurance Commissioner ⁴	360.4	360.5	0.1	380.9	380.9	0.0	412.1	412.1	0.0
State Treasurer	148.3	148.1	(0.2)	43.8	39.4	(4.4)	48.3	49.4	1.1
Office of Financial Management									
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Agencies	175.0	175.1	0.0	156.6	156.9	0.3	174.4	174.4	0.0
Subtotal: General Fund-State Cash/Revenue*	21,068.6	21,081.4	12.8	21,154.6	21,218.9	64.3	22,944.4	23,026.4	82.0
General Fund State - Other Financing Sources⁵									
Department of Revenue ⁶	81.6	84.2	2.6	69.2	69.2	0.0	60.1	60.1	0.0
Lottery Commission	203.3	212.6	9.3	27.8	27.8	0.0	64.0	64.0	0.0
Insurance Commissioner ⁷	(6.2)	(6.2)	0.0	(7.3)	(7.3)	0.0	(7.9)	(7.9)	0.0
Liquor Control Board	57.9	57.9	0.0	58.8	58.8	0.0	60.9	60.9	0.0
Office of Financial Management									
Other Agencies ⁸	(143.1)	(142.0)	1.1	(162.9)	(163.3)	(0.4)	(156.3)	(156.3)	0.0
Subtotal: GFS Other Financing Sources	193.5	206.5	13.0	(14.4)	(14.8)	(0.4)	20.8	20.8	0.0
Total Available Receipts/Resources									
General Fund-State *	\$21,262.1	\$21,287.8	\$25.8	\$21,140.2	\$21,204.1	\$63.9	\$22,965.2	\$23,047.2	\$82.0

* Detail may not add due to rounding.

1 General Fund-State cash receipts forecast.

2 General Fund-State Revenue Forecast on a GAAP (Generally accepted accounting principles) basis, used to show the state revenue position for financial reporting purposes.

3 Excludes the state share of the timber tax and unclaimed property transfers.

4 Total insurance premiums tax.

5 Other financing sources represent transfers to/from other funds from/to the General Fund.

6 Includes the state share of the timber excise tax and unclaimed property transfers.

7 Forty percent of fire insurance premiums.

8 Agency 701 and accounting sources: 480 and 481 for all other agencies.

Table 3.15

2001-03 Balance Sheet**General Fund-State**

Dollars in Millions

RESOURCES	
Beginning Fund Balance	599.1
February 2002 Revenue Forecast	20,961.9
June 2002 Revenue Forecast Update	85.1
2002 Supplemental Budget Revenue and Fee Changes	93.2
Current Revenue Totals	21,140.2
Total Resources (Revenue/Fund Balance)	21,739.3
APPROPRIATIONS AND SPENDING LIMIT	
Biennial Appropriation	22,783.2
2002 Supplemental Budget *	(332.1)
Spending Level	22,451.2
Adjusted I-601 Expenditure Limit **	23,260.1
UNRESTRICTED GENERAL FUND RESERVES	
Enacted Budget Fund Transfers to General Fund	228.0
2002 Supplemental Budget 'Other' Fund Transfers to General Fund	51.6
Tobacco Securitization	450.0
Transfer from Emergency Reserve Fund	325.0
Projected Ending Fund Balance	342.7
EMERGENCY RESERVE FUND	
Beginning Balance	462.1
Transfer to the General Fund	(325.0)
Transfer to Transportation	(70.0)
Interest Earnings	13.0
Appropriation for Earthquake/Drought Accounts	(25.0)
Emergency Reserve Ending Balance	55.1

* The Governor vetoed an additional \$2.9 million enhancement for home care workers wages and placed the amount in allotment reserve. The funds are still included in the appropriation.

** Based on analysis of statutory provisions concerning limitations on the use of Emergency Reserve Funds (ERF), the currently estimated spending limit was not adjusted for the transfer of ERF money to the General Fund.

Table 3.16

June 2002 Alternative Forecasts Compared to the Baseline Forecast
2001-03 Biennium
(Millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
<i>Department of Revenue</i>			
Retail Sales	\$11,237.5	\$11,053.5	\$10,861.5
Business & Occupation	3,924.0	3,869.5	3,802.8
Use	775.6	771.7	756.9
Public Utility	517.8	514.9	513.1
Property (school levy)	2,660.6	2,582.5	2,491.9
Real Estate Excise	812.6	794.6	772.1
Other	1,063.8	1,014.7	976.2
Subtotal	20,991.9	20,601.4	20,174.5
<i>Department of Licensing</i>	42.3	41.1	39.9
<i>Insurance Commissioner¹</i>	383.0	373.6	364.2
<i>Lottery Commission</i>	40.8	27.8	14.9
<i>State Treasurer - Interest earnings</i>	67.9	43.8	29.6
<i>Liquor Profits & Fees²</i>	59.9	58.8	57.6
<i>Office of Financial Management</i>			
Other agencies	(1.2)	(6.3)	(10.6)
Total General Fund - State*	\$21,584.7	\$21,140.2	\$20,669.9
Difference from June 2002 Baseline	\$444.6		(\$470.2)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

assumed. These possibilities are addressed in the June 2002 alternative forecasts for the 2001-03 biennium.

The optimistic scenario assumes that the U.S. economy is stronger than assumed in the baseline. The basis for faster growth is a weaker dollar. The optimistic forecast assumes the dollar falls 15 percent below the baseline value over the next year. This produces stronger economic growth. Exports rise, manufacturing output is higher and investment spending begins to increase. Washington's economy benefits from stronger growth nationally. In the optimistic scenario state personal income is 1.3 percent higher than the baseline by the end of fiscal year 2002 and is 3.0 percent higher by the end of the 2001-03 biennium. State wage and salary employment is 6,700 greater than the baseline by the end of fiscal 2002 and is nearly 35,500 higher by the last quarter of the 2001-03 biennium.

The pessimistic scenario assumes a "double-dip" recession. In this scenario the economy grows the same or slower than the baseline until the first quarter of 2003 when it again contracts due to weak investment and consumer spending and weakness abroad. In this scenario, Washington State personal income is 1.3 percent below the baseline estimate at the end of fiscal year 2002 and 4.2 percent less than the baseline by the end of the 2001-03 biennium. Wage and salary employment is 7,400 lower than the baseline by the end of the fiscal 2002 and 59,10 less by the second quarter of 2003.

Table 3.16 shows the revenue implications of these alternative scenarios for the 2001-03 biennium. The optimistic scenario generates \$21,584.7 million GFS revenue in the 2001-03 biennium. This is \$444.6 million more than the baseline forecast. The pessimistic alternative produces only \$20,669.9 million GFS revenue in the 2001-03 biennium, \$470.2 million less than the baseline forecast.

In addition to the official optimistic and pessimistic alternatives, we routinely prepare a third alternative forecast. This is developed by averaging the forecasts for several key economic variables made by members of the Governor's Council of Economic Advisors (GCEA.) The June GCEA scenario was based on the forecasts of six members of the Governor's Council of Economic Advisors. The GCEA alternative produces \$75 million more GFS revenue than the baseline forecast for the 2001-03 biennium.

Table 3.17

Impact of Initiative 728 on the State Property Tax and Lottery Revenue

Millions of Dollars

I. Disposition of the State portion of the Property Tax

	Disposition of Receipts from the State Levy		
	State Levy: Total Receipts	To the General Fund	To the Student Achievement Account-1
2000	\$1,302.0	1,302.0	
2001	\$1,349.9	1,349.9	
1999-01 Biennium	2,652.0	2,652.0	
2002	1,404.9	1,271.8	133.1
2003	1,444.6	1,310.7	133.9
2001-03 Biennium	2,849.5	2,582.5	267.0
2004	1,486.8	1,352.4	134.4
2005	1,531.0	1,097.8	433.2
2003-05 Biennium	3,017.8	2,450.1	567.6

II. Disposition of Lottery Distributions*

	Lottery: Total Transfers:**		Mariners Stadium	Exhibition Center & Stadium	Student Achievement Account-1	School Construction Account-1	Transfer to VERDE-2
	Total Transfers:	General Fund					
1998	117.8	114.6	3.2	0.0			
1999	118.6	107.5	3.3	7.8			
1999-01 Biennium	236.3	222.0	6.5	7.8			
2000	101.1	93.3	3.4	4.4			
2001	120.1	110.0	3.6	6.5			
1999-01 Biennium	221.3	203.3	7.0	10.9			
2002	105.9	0.0	3.7	6.7	47.7	47.7	
2003	141.2	27.8	3.9	7.0	76.5	25.5	0.5
2001-03 Biennium	247.1	27.8	7.6	13.8	124.2	73.2	0.5
2004	145.3	32.0	4.0	7.3	76.5	25.5	0.0
2005	145.8	32.0	4.2	7.6	0.0	102.0	0.0
2003-05 Biennium	291.1	64.0	8.2	14.9	76.5	127.5	0.0

* Cash Basis

** Total Transfers are equal to total sales less total expenses (prizes, cost of sales, administration etc.)

1 Initiative 728 directs a portion of the state levy to the Student Achievement Account and lottery revenue to the Student Achievement Account and the School Construction Fund. Prior to Initiative 728 this revenue went into the General Fund.

2 Transfer to the Violence Reduction and Drug Education Account required by 2002 legislation (E2SSB 6560.)

County Personal Income and Employment, 1996 to 2000

Personal Income” is a measure of the total income received by individuals. It includes not only income earned from working, but also income derived from dividends, rent, interest, and transfer payments (such as Social Security.) Personal contributions to social insurance programs such as Social Security, however, are not included in personal income because to do so would count this income twice, as these contributions end up as transfer payments for someone else. When the total personal income of a region is divided by the population of that region, the result is the “per capita personal income” of that region.

The US Department of Commerce, Bureau of Economic Analysis (BEA) publishes annual estimates of personal income on a county-by-county basis. The estimates are broken down by source and by industry. In April of this year, the bureau released new estimates for 2000 personal income and revised estimates from 1998 to 1999. Population estimates for 1991 through 2000 were also revised to reflect the results of the 2000 census, affecting the per-capita figures for those years. This report presents details of the income data from 1996 to 2000. Data prior to 1996 are available through the BEA or the Washington State Office of the Forecast Council.

2000 per capita personal income in Washington’s counties ranged from \$45,536 in King County to \$16,597 in Ferry County. **Chart 4.1** illustrates both the level of per capita personal income in each county and its sources. The chart orders the counties according to population density, with the most densely populated counties presented first. The counties are also classified as rural or urban as per state law, which defines urban counties as those with a population density greater than one hundred people per square mile. The length of the black bar in the chart indicates the total amount of per capita earnings generated from work within a particular county. Where the bar extends below zero, it indicates that non-residents working in that county removed more earnings from the county than county residents working elsewhere brought into the county. This is indicated by a negative “residence adjustment” in the personal income tables. In counties where residents working outside the county brought in more earnings than non-residents took out, these earnings are indicated by a white bar, which indicates a positive residence adjustment. The total amount of per capita income that was derived from earnings by county residents is thus indicated by the top of the black bar, and the proportion of that income that was earned within the county is indicated by the relative lengths of the white and black bars.

From the chart, one can see that in general, the most densely populated counties tend to have the highest per capita personal income. This translates to a difference in per capita personal income between

urban and rural counties of \$11,607 in 2000. The chart also indicates a large variation in income derivation between counties. One example of this variation is the difference between King and San Juan counties, which were the two counties with the highest per capita personal income in the state. King County's above average per capita personal income stemmed from a high level of per capita earnings. San Juan County's high per capita personal income, however, was the result of high levels of income from dividends, interest, and rent.

Commuting, as reflected by "residence adjustments" in **Chart 4.1**, also has a large effect on county earnings. For example, approximately three times as many people commute from other counties to work in King County than the reverse¹. In 2000, this resulted in a net earnings outflow from King County into other areas of some 6.9 billion dollars. This outflow resulted in a positive residence adjustment for many of the surrounding counties. Counties in southwest Washington that border on the Portland metropolitan area such as Clark and Skamania experienced similar large earnings inflows. Skamania County, in fact, had a higher level of per capita earnings from outside of the county (\$8,542) than within (\$7,201.)

The amount of income that county residents can earn within their own county is a function of job availability, labor force participation, and average wage per job. The job availability within counties can be compared by using a "job ratio," which is calculated by dividing the number of jobs in a county by the county's population. **Table 4.1** lists 2000 county job ratios, reported as the number of jobs per 100 residents.

The BEA does not publish county data on labor force participation, nor can it be determined by total employment, since there is no way of counting how many workers have more than one job. As a substitute, unemployment rates and per capita residence adjustments are also included in Table 4.1. While these figures do not indicate what portion of the population participates in the labor force, they can provide an indication of overall labor market behavior. For example, Asotin County had a job ratio of 37.2, well below the state average of 60.3. It also, however, had a large positive per capita residence adjustment of \$5,620, indicating that a large amount of the labor force worked in other counties or states (In this case, Lewiston, Idaho.) The unemployment rate of 4.5%, well below the state average of 5.2%, further indicates that county residents as a whole could find work relatively easily. Skamania County, on the other hand, also had a low (30.1) job ratio and high (\$8,542) per capita residence adjustment, but its higher than average unemployment rate of 8.9% indicates that residents may have had a relatively hard time finding work².

Chart 4.2 indicates 2000 county average earnings per job. The chart orders the counties according to population density, with the most densely populated counties presented first. From the chart, one can see that the difference in average earnings per job between urban and rural counties was even more pronounced than the difference in per capita personal income, reaching a level of over fourteen thousand dollars.

The components of county earnings are detailed in tables 4.2 and 4.3. **Table 4.2** indicates the number of people in each county employed in either full-time or part-time jobs per major industry classification and the average earnings per job. **Table 4.3** lists the sources of 2000 income for each county, population and per capita personal income, and earnings broken down by major industry. These tables provide an indication of how much of the difference in per capita earnings between counties is the result of differences in industry mix. For example, according to Table 4.2, farm employment and agricultural services/forestry/fishing were among the lowest paying industries in Washington. Those industries combined represented 26% of jobs³ in Lincoln County, which ranks third to last in county earnings per job. In Snohomish County, however, manufacturing, which was on average the third-highest paying industry in the state, represented 20% of jobs. This helped the county to rank second in wages per job.

When using tables 4.2 and 4.3 to determine industry mix, it must be noted that the industries are classified according to Standard Industry Classification (SIC) codes. As these codes were last revised in 1987 (in anticipation of the new North American Industry Classification System (NAICS) which currently being phased in,) they do not explicitly indicate many of the high-technology jobs that are the source of high earnings growth in several counties. For example, production of computer software is classified as “Business Services” under the major heading of “Services”. This helps to explain why the average wage for “services” in King County was \$55,183 but only \$14,232 in Garfield County.

Table 4.4 lists the per capita personal income of Washington’s counties and metropolitan areas from 1996 to 2000 and the amount of growth during that period. From 1996 to 2000, the state’s urban counties experienced a total increase in per capita personal income of 27.6 percent, while that of rural counties grew 14.1 percent. The increase in Washington per capita personal income in the same period was 24.8 percent, while that of the US was 21.4 percent.

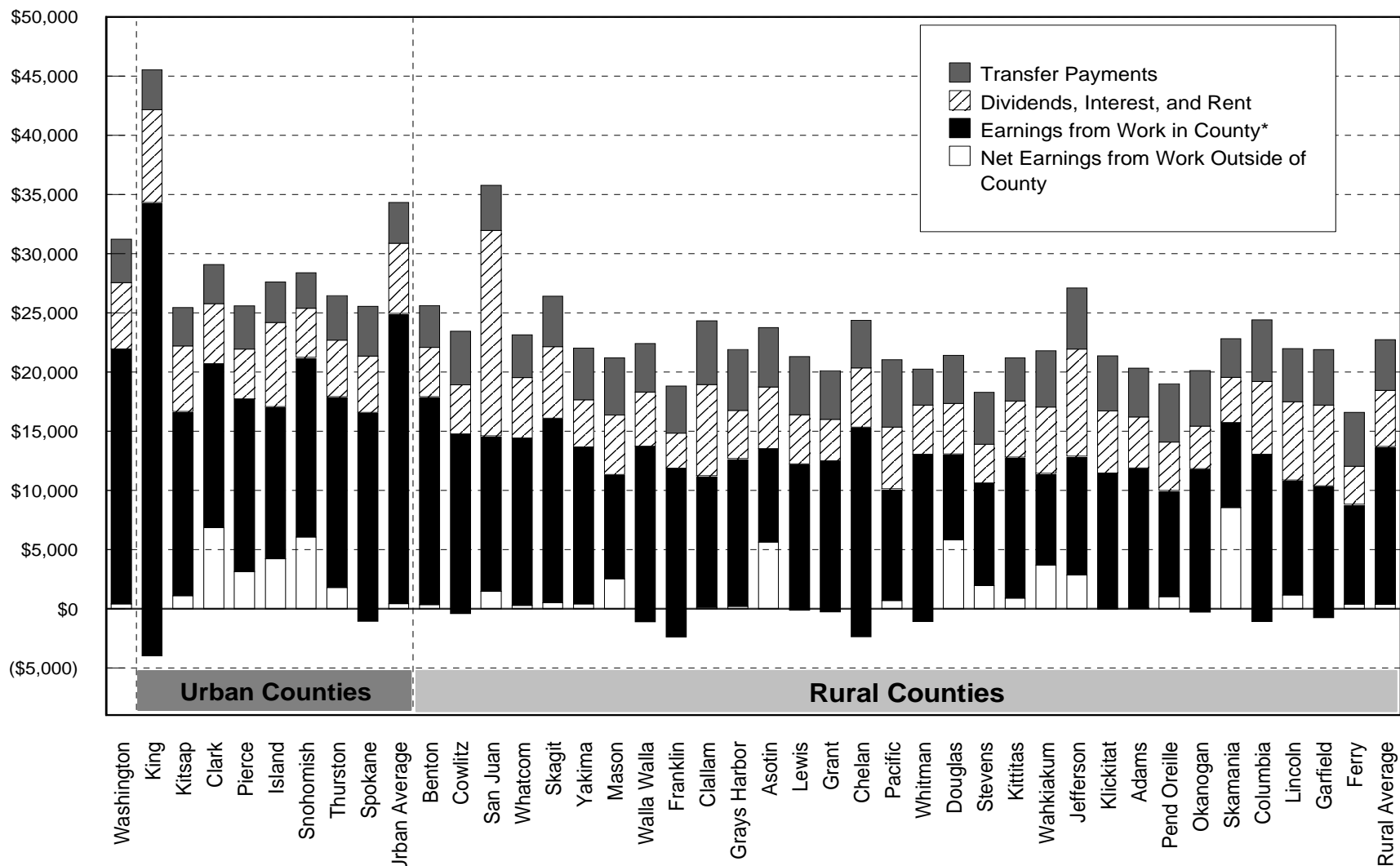
While there is a wide variation in per capita personal income between rural and urban counties, there is also variation in the counties’ cost of living. While neither the federal nor the state government provides a measure of the relative cost of living between counties, the median home price can provide a good indication. **Table 4.5** shows the relationship of 2000 median home prices to per capita personal income. For example, King County had the highest per capita personal income level, which was 45.4 percent higher than the state average, and the second highest median home price, which was 41.7 percent greater than the state average. Alternatively, Ferry County had the lowest per capita personal income, which was 46.3 percent lower than the state average, and was tied for the lowest median home price, which was 49.7 percent less than the state average. This relationship suggests that the difference in per capita personal income between urban and rural communities may be offset somewhat by their differences in cost of living.

1 1990 Journey To Work Statistics, BEA

2 Care, however, must be taken when comparing unemployment rates between Washington counties. This is because the yearly average unemployment rate of counties with high levels of farm employment is inflated by high off-season unemployment. These counties’ rates will therefore be higher on the average than non-farm counties even though their residents may experience similar degrees of employment.

3 Recall, however, that “jobs” includes both full-time and part-time positions and represents the number of jobs rather than the amount of time spent in employment.

Chart 4.1

2000 County Per Capita Personal Income by Source**(Counties Ordered by Population Density)**

*Sections of in-county earnings that extend below zero indicate per capita in-county earnings of out-of-county residents

Chart 4.2
2000 Earnings per Job
 (Counties Ordered by Population Density)

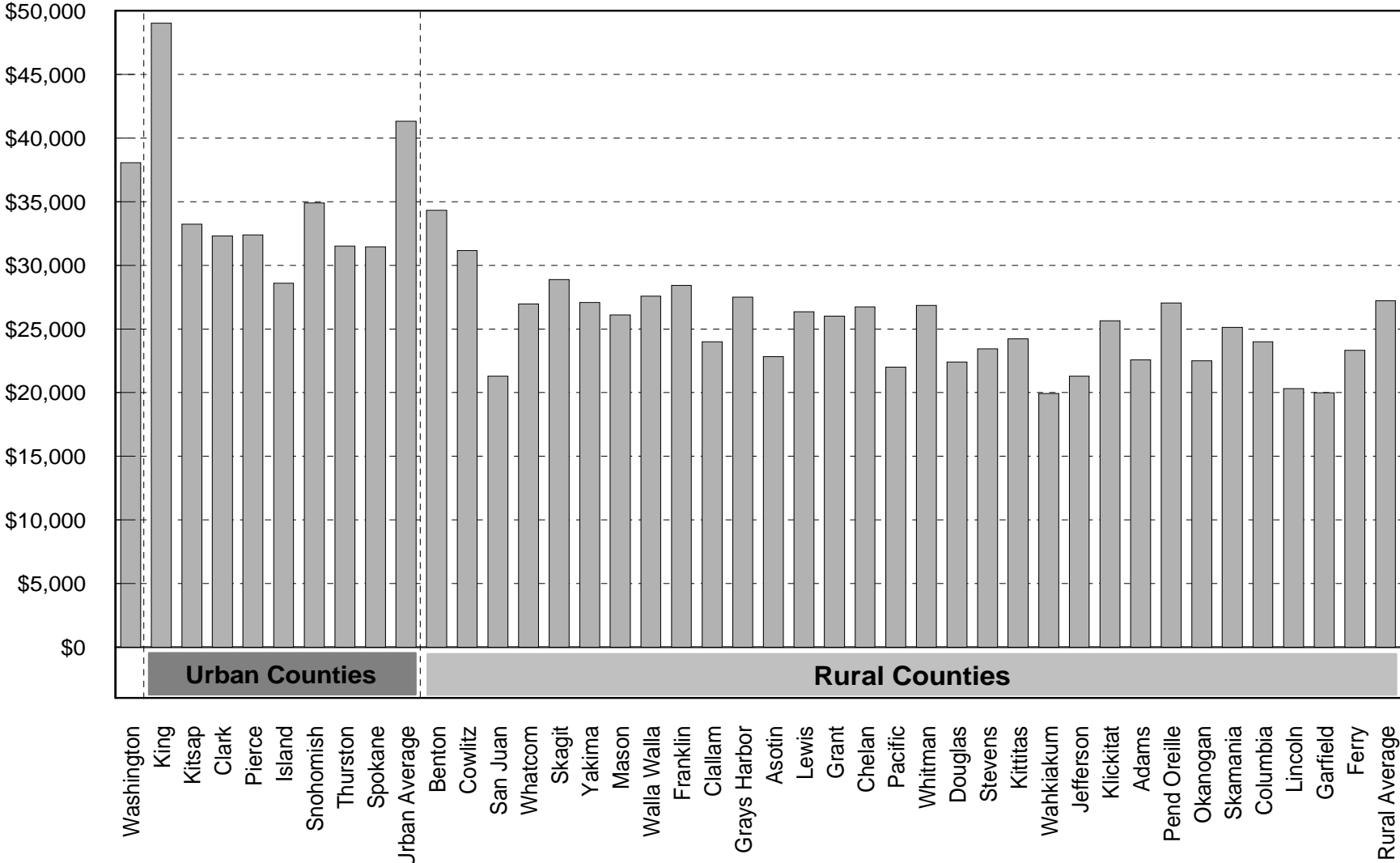


Table 4.1

2000 Job Ratio, Unemployment, and Per Capita Residence Adjustment

	Total Full and Part-Time Employment	Population	Job Ratio	Per Capita Residence Adjustment	Unemployment Rate
Washington	3,560,164	5,908,372	60.3	\$405	5.2%
King*	1,451,322	1,737,290	83.5	-\$3,982	3.6%
Chelan	46,758	66,754	70.0	-\$2,375	8.8%
San Juan	9,329	14,160	65.9	\$1,473	3.5%
Columbia	2,522	4,073	61.9	-\$1,097	11.1%
Spokane*	250,334	418,476	59.8	-\$1,072	5.5%
Garfield	1,386	2,391	58.0	-\$763	4.2%
Skagit	59,319	103,421	57.4	\$501	6.8%
Walla Walla	31,478	55,292	56.9	-\$1,113	6.2%
Okanogan	22,407	39,577	56.6	-\$300	11.0%
Whatcom#	93,646	167,553	55.9	\$275	5.7%
Adams	9,047	16,447	55.0	\$79	10.5%
Benton#	77,869	143,055	54.4	\$334	6.4%
Whitman	22,058	40,656	54.3	-\$1,083	2.2%
Thurston*	111,715	208,355	53.6	\$1,783	5.0%
Franklin#	26,187	49,545	52.9	-\$2,405	9.6%
Cowlitz	48,502	93,014	52.1	-\$416	7.7%
Yakima#	115,277	222,784	51.7	\$405	10.4%
Kittitas	17,302	33,488	51.7	\$896	5.8%
Grant	38,573	74,960	51.5	-\$277	10.1%
Jefferson	13,125	26,091	50.3	\$2,853	5.3%
Lincoln	5,108	10,188	50.1	\$1,161	5.1%
Lewis	34,397	68,662	50.1	-\$126	9.1%
Clallam	31,914	64,702	49.3	\$120	7.6%
Kitsap*	113,637	232,541	48.9	\$1,088	5.6%
Grays Harbor	32,520	67,158	48.4	\$198	9.5%
Pierce*	336,201	703,631	47.8	\$3,130	5.2%
Klickitat	9,163	19,245	47.6	-\$32	10.5%
Island*	33,918	71,822	47.2	\$4,211	4.1%
Snohomish*	282,847	609,009	46.4	\$6,048	4.1%
Clark*	158,681	347,285	45.7	\$6,861	4.2%
Pacific	9,544	20,915	45.6	\$688	8.3%
Wahkiakum	1,597	3,836	41.6	\$3,681	6.6%
Stevens	15,883	40,249	39.5	\$1,949	9.4%
Ferry	2,775	7,290	38.1	\$384	13.5%
Asotin	7,654	20,569	37.2	\$5,620	4.5%
Mason	17,786	49,549	35.9	\$2,531	7.3%
Pend Oreille	4,134	11,748	35.2	\$1,018	9.6%
Douglas	11,270	32,688	34.5	\$5,805	7.4%
Skamania	2,979	9,903	30.1	\$8,542	8.9%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

Table 4.2

2000 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Washington		Adams		Asotin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	3,560,164	\$38,073	9,047	\$22,570	7,654	\$22,823
Wage and salary employment	2,938,765	\$37,430	6,826	\$23,944	5,568	\$23,216
Proprietors' employment	621,399	\$22,840	2,221	\$11,011	2,086	\$15,299
Farm proprietors' employment	38,711	\$9,566	795	-\$2,930	221	-\$15,353
Nonfarm proprietors' employment	582,688	\$23,722	1,426	\$18,783	1,865	\$18,931
Farm employment	79,886	\$17,267	1,882	\$15,139	271	-\$8,524
Nonfarm employment	3,480,278	\$38,551	7,165	\$24,522	7,383	\$23,974
Private employment	2,933,709	\$37,892	5,685	\$23,214	6,288	\$22,654
Ag. services, forestry, fishing, & other	64,508	\$22,673	446	\$18,507	158	\$10,044
Mining	5,664	\$44,232	(D)	(D)	(D)	(D)
Construction	216,748	\$42,332	(D)	(D)	690	\$36,348
Manufacturing	371,436	\$51,571	1,042	\$30,827	368	\$33,761
Transportation and public utilities	167,892	\$55,983	501	\$35,265	(D)	(D)
Wholesale trade	168,912	\$47,104	645	\$33,138	150	\$26,787
Retail trade	594,402	\$21,301	1,104	\$15,508	1,530	\$17,225
Finance, insurance, and real estate	272,353	\$32,353	(D)	(D)	515	\$16,010
Services	1,071,794	\$39,458	1,312	\$18,752	2,681	\$20,661
Government and government enterprises	546,569	\$42,089	1,480	\$29,543	1,095	\$31,553
Federal, civilian	69,151	\$63,632	65	\$43,492	76	\$52,987
Military	72,831	\$40,263	57	\$13,965	79	\$14,025
State and local	404,587	\$38,736	1,358	\$29,529	940	\$31,293
State	132,128	\$39,112	77	\$32,753	157	\$29,694
Local	272,459	\$38,553	1,281	\$29,336	783	\$31,613

	Benton		Chelan		Clallam	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	77,869	\$34,326	46,758	\$26,734	31,914	\$23,998
Wage and salary employment	65,239	\$34,904	36,660	\$25,678	22,482	\$24,993
Proprietors' employment	12,630	\$13,556	10,098	\$21,045	9,432	\$14,824
Farm proprietors' employment	1,442	\$15,216	1,512	\$15,155	374	(L)
Nonfarm proprietors' employment	11,188	\$13,342	8,586	\$22,082	9,058	\$15,435
Farm employment	4,230	\$22,940	4,726	\$18,530	448	\$3,513
Nonfarm employment	73,639	\$34,980	42,032	\$27,656	31,466	\$24,290
Private employment	63,149	\$33,438	35,531	\$25,778	25,422	\$21,170
Ag. services, forestry, fishing, & other	1,738	\$14,070	2,690	\$19,323	901	\$20,684
Mining	(D)	(D)	(D)	(D)	71	\$20,282
Construction	3,914	\$36,704	2,786	\$35,993	2,282	\$30,840
Manufacturing	4,793	\$44,831	3,024	\$37,819	2,511	\$32,518
Transportation and public utilities	8,386	\$64,383	(D)	(D)	1,039	\$35,924
Wholesale trade	(D)	(D)	2,407	\$28,152	670	\$30,160
Retail trade	14,451	\$15,944	8,230	\$17,715	6,182	\$15,963
Finance, insurance, and real estate	4,166	\$19,868	2,912	\$19,021	2,491	\$14,041
Services	24,246	\$34,208	12,009	\$26,153	9,275	\$18,857
Government and government enterprises	10,490	\$44,261	6,501	\$37,919	6,044	\$37,410
Federal, civilian	948	\$79,654	724	\$56,289	477	\$48,855
Military	526	\$14,625	229	\$14,109	504	\$30,655
State and local	9,016	\$42,269	5,548	\$36,505	5,063	\$37,005
State	837	\$35,428	1,158	\$38,636	1,326	\$37,470
Local	8,179	\$42,969	4,390	\$35,943	3,737	\$36,839

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2 (cont'd)
2000 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Clark		Columbia		Cowlitz	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	158,681	\$32,311	2,522	\$24,006	48,502	\$31,170
Wage and salary employment	123,360	\$32,487	1,835	\$23,240	41,326	\$30,555
Proprietors' employment	35,321	\$20,080	687	\$18,199	7,176	\$17,911
Farm proprietors' employment	1,496	\$1,578	318	\$21,421	436	\$179
Nonfarm proprietors' employment	33,825	\$20,898	369	\$15,423	6,740	\$19,058
Farm employment	1,813	\$4,834	397	\$22,899	701	\$9,041
Nonfarm employment	156,868	\$32,629	2,125	\$24,213	47,801	\$31,495
Private employment	136,490	\$31,405	1,626	\$21,409	41,988	\$30,972
Ag. services, forestry, fishing, & other	2,122	\$16,951	64	\$25,641	891	\$13,633
Mining	467	\$39,859	(D)	(D)	166	\$110,988
Construction	13,424	\$43,024	121	\$41,198	3,309	\$38,178
Manufacturing	20,661	\$47,855	(D)	(D)	10,242	\$47,505
Transportation and public utilities	8,195	\$51,113	84	\$39,202	1,971	\$45,512
Wholesale trade	6,030	\$45,091	60	\$29,050	1,522	\$36,518
Retail trade	28,775	\$18,118	223	\$16,744	8,951	\$17,004
Finance, insurance, and real estate	13,063	\$19,605	92	\$13,207	2,587	\$19,173
Services	43,753	\$27,368	(D)	(D)	12,349	\$25,097
Government and government enterprises	20,378	\$40,822	499	\$33,349	5,813	\$35,272
Federal, civilian	2,663	\$73,024	66	\$63,576	297	\$56,047
Military	1,273	\$14,404	16	\$13,563	345	\$14,070
State and local	16,442	\$37,652	417	\$29,324	5,171	\$35,494
State	2,968	\$35,265	34	\$36,265	1,074	\$34,432
Local	13,474	\$38,178	383	\$28,708	4,097	\$35,772

	Douglas		Ferry		Franklin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	11,270	\$22,404	2,775	\$23,318	26,187	\$28,418
Wage and salary employment	9,039	\$23,271	1,857	\$24,110	22,051	\$26,404
Proprietors' employment	2,231	\$8,753	918	\$13,906	4,136	\$24,469
Farm proprietors' employment	1,133	-\$2,860	216	\$11,255	1,198	\$26,075
Nonfarm proprietors' employment	1,098	\$20,735	702	\$14,722	2,938	\$23,814
Farm employment	2,636	\$9,758	219	\$11,265	4,341	\$24,384
Nonfarm employment	8,634	\$26,264	2,556	\$24,351	21,846	\$29,219
Private employment	6,608	\$22,959	1,794	\$21,692	17,481	\$27,312
Ag. services, forestry, fishing, & other	793	\$19,918	79	\$16,215	1,142	\$17,016
Mining	(L)	(L)	(D)	(D)	45	\$55,600
Construction	527	\$30,689	133	\$20,714	1,450	\$37,712
Manufacturing	154	\$46,909	290	\$28,359	1,633	\$36,495
Transportation and public utilities	408	\$34,071	64	\$31,422	1,408	\$42,320
Wholesale trade	371	\$33,137	(D)	(D)	1,623	\$33,824
Retail trade	2,088	\$18,159	408	\$14,390	3,502	\$19,283
Finance, insurance, and real estate	359	\$16,833	112	\$9,080	810	\$14,262
Services	1,901	\$22,151	(D)	(D)	5,868	\$25,163
Government and government enterprises	2,026	\$37,044	762	\$30,610	4,365	\$36,859
Federal, civilian	172	\$67,599	142	\$52,338	499	\$63,461
Military	135	\$15,793	27	\$13,852	175	\$13,960
State and local	1,719	\$35,656	593	\$26,170	3,691	\$34,348
State	78	\$39,308	31	\$30,903	1,017	\$34,121
Local	1,641	\$35,483	562	\$25,909	2,674	\$34,434

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2 (cont'd)
2000 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Garfield		Grant		Grays Harbor	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	1,386	\$19,989	38,573	\$26,001	32,520	\$27,513
Wage and salary employment	913	\$24,227	30,947	\$24,028	25,580	\$27,377
Proprietors' employment	473	\$2,562	7,626	\$23,896	6,940	\$17,901
Farm proprietors' employment	275	-\$6,447	2,366	\$38,056	500	\$10,832
Nonfarm proprietors' employment	198	\$15,076	5,260	\$17,526	6,440	\$18,450
Farm employment	336	-\$1,545	6,603	\$29,901	604	\$12,962
Nonfarm employment	1,050	\$26,880	31,970	\$25,195	31,916	\$27,788
Private employment	566	\$19,837	25,212	\$22,645	26,653	\$26,248
Ag. services, forestry, fishing, & other	(D)	(D)	1,890	\$16,187	(D)	(D)
Mining	0	NA	(D)	(D)	(D)	(D)
Construction	(D)	(D)	1,403	\$29,628	1,790	\$34,329
Manufacturing	(D)	(D)	4,913	\$30,852	4,809	\$41,862
Transportation and public utilities	29	\$34,828	1,426	\$33,532	1,210	\$38,536
Wholesale trade	152	\$29,336	1,512	\$32,005	781	\$32,058
Retail trade	111	\$15,171	5,395	\$17,233	6,063	\$18,240
Finance, insurance, and real estate	61	\$12,984	(D)	(D)	2,079	\$17,892
Services	142	\$14,232	7,076	\$18,806	8,613	\$22,342
Government and government enterprises	484	\$35,116	6,758	\$34,712	5,263	\$35,586
Federal, civilian	129	\$54,845	342	\$47,971	248	\$52,089
Military	(L)	(L)	270	\$13,926	293	\$17,290
State and local	346	\$28,321	6,146	\$34,887	4,722	\$35,854
State	20	\$36,950	760	\$34,846	1,000	\$37,268
Local	326	\$27,791	5,386	\$34,893	3,722	\$35,474

	Island		Jefferson		King	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	33,918	\$28,603	13,125	\$21,288	1,451,322	\$49,026
Wage and salary employment	23,497	\$27,900	8,771	\$23,167	1,243,700	\$47,490
Proprietors' employment	10,421	\$11,980	4,354	\$12,300	207,622	\$33,033
Farm proprietors' employment	337	\$1,214	167	\$9,054	1,368	-\$2,048
Nonfarm proprietors' employment	10,084	\$12,340	4,187	\$12,430	206,254	\$33,266
Farm employment	414	\$5,937	194	\$12,046	2,191	\$12,504
Nonfarm employment	33,504	\$28,883	12,931	\$21,427	1,449,131	\$49,081
Private employment	20,951	\$18,064	10,868	\$18,840	1,288,945	\$49,679
Ag. services, forestry, fishing, & other	701	\$11,424	583	\$13,420	15,929	\$37,394
Mining	(D)	(D)	(D)	(D)	1,390	\$31,016
Construction	2,261	\$27,352	1,086	\$25,108	82,116	\$51,216
Manufacturing	937	\$29,000	1,269	\$32,769	152,880	\$61,120
Transportation and public utilities	551	\$33,624	271	\$38,528	89,174	\$61,747
Wholesale trade	(D)	(D)	(D)	(D)	90,044	\$57,036
Retail trade	5,197	\$15,622	2,415	\$14,123	228,093	\$26,588
Finance, insurance, and real estate	3,090	\$15,109	1,074	\$11,713	128,002	\$42,771
Services	7,725	\$16,110	3,920	\$16,676	501,317	\$55,183
Government and government enterprises	12,553	\$46,939	2,063	\$35,051	160,186	\$44,264
Federal, civilian	1,471	\$44,358	184	\$59,940	21,855	\$68,819
Military	8,062	\$51,854	111	\$17,027	7,572	\$22,067
State and local	3,020	\$35,075	1,768	\$33,592	130,759	\$41,446
State	396	\$33,015	312	\$40,913	48,265	\$39,469
Local	2,624	\$35,386	1,456	\$32,023	82,494	\$42,602

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2 (cont'd)

2000 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Kitsap		Kittitas		Klickitat	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	113,637	\$33,246	17,302	\$24,234	9,163	\$25,638
Wage and salary employment	90,313	\$31,005	12,927	\$23,286	6,421	\$27,529
Proprietors' employment	23,324	\$14,513	4,375	\$18,744	2,742	\$13,583
Farm proprietors' employment	431	\$4,592	1,002	-\$75	688	\$1,392
Nonfarm proprietors' employment	22,893	\$14,700	3,373	\$24,334	2,054	\$17,666
Farm employment	481	\$6,543	1,468	\$7,545	1,069	\$9,061
Nonfarm employment	113,156	\$33,359	15,834	\$25,781	8,094	\$27,828
Private employment	74,624	\$23,171	11,642	\$22,726	6,375	\$26,481
Ag. services, forestry, fishing, & other	1,956	\$23,554	369	\$13,377	453	\$18,199
Mining	108	\$47,824	(D)	(D)	(D)	(D)
Construction	6,371	\$33,766	828	\$29,880	537	\$27,549
Manufacturing	3,063	\$26,132	962	\$34,926	1,383	\$43,803
Transportation and public utilities	2,562	\$34,889	674	\$59,880	572	\$55,745
Wholesale trade	1,613	\$34,105	517	\$44,460	(D)	(D)
Retail trade	20,018	\$16,908	3,592	\$16,014	1,037	\$12,792
Finance, insurance, and real estate	7,282	\$17,219	(D)	(D)	599	\$11,696
Services	31,651	\$24,468	3,867	\$17,684	1,596	\$17,642
Government and government enterprises	38,532	\$53,091	4,192	\$34,267	1,719	\$32,824
Federal, civilian	14,175	\$71,730	177	\$55,096	131	\$46,595
Military	12,999	\$47,456	131	\$20,038	73	\$13,959
State and local	11,358	\$36,278	3,884	\$33,798	1,515	\$32,542
State	2,147	\$36,952	2,076	\$36,796	208	\$35,236
Local	9,211	\$36,121	1,808	\$30,355	1,307	\$32,113

	Lewis		Lincoln		Mason	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	34,397	\$26,357	5,108	\$20,312	17,786	\$26,105
Wage and salary employment	26,523	\$26,978	3,185	\$22,786	13,252	\$25,807
Proprietors' employment	7,874	\$15,076	1,923	\$11,257	4,534	\$18,934
Farm proprietors' employment	1,460	\$4,929	860	\$8,142	273	-\$733
Nonfarm proprietors' employment	6,414	\$17,386	1,063	\$13,778	4,261	\$20,194
Farm employment	1,750	\$8,425	1,136	\$12,038	313	\$2,994
Nonfarm employment	32,647	\$27,318	3,972	\$22,679	17,473	\$26,519
Private employment	27,405	\$26,221	2,669	\$19,865	13,738	\$24,042
Ag. services, forestry, fishing, & other	1,022	\$16,850	184	\$18,549	648	\$15,096
Mining	657	\$65,875	(L)	(L)	28	\$361,643
Construction	1,705	\$33,145	189	\$23,016	1,184	\$33,859
Manufacturing	4,359	\$35,786	91	\$20,593	2,152	\$39,112
Transportation and public utilities	1,670	\$43,138	107	\$52,542	475	\$45,335
Wholesale trade	1,137	\$32,601	280	\$30,889	479	\$25,781
Retail trade	7,664	\$18,564	614	\$14,151	3,001	\$15,600
Finance, insurance, and real estate	1,609	\$17,223	342	\$16,020	1,428	\$13,009
Services	7,582	\$21,956	855	\$17,477	4,343	\$19,996
Government and government enterprises	5,242	\$33,058	1,303	\$28,443	3,735	\$35,629
Federal, civilian	294	\$51,844	70	\$49,043	143	\$45,531
Military	257	\$13,938	37	\$13,757	189	\$13,905
State and local	4,691	\$32,928	1,196	\$27,691	3,403	\$36,420
State	1,214	\$35,743	74	\$40,108	1,040	\$40,227
Local	3,477	\$31,945	1,122	\$26,873	2,363	\$34,744

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2 (cont'd)
2000 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Okanogan		Pacific		Pend Oreille	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	22,407	\$22,496	9,544	\$21,994	4,134	\$27,050
Wage and salary employment	16,730	\$21,582	6,721	\$21,998	2,795	\$26,922
Proprietors' employment	5,677	\$17,121	2,823	\$15,958	1,339	\$20,031
Farm proprietors' employment	1,694	\$7,501	317	\$37,410	301	\$1,767
Nonfarm proprietors' employment	3,983	\$21,212	2,506	\$13,244	1,038	\$25,327
Farm employment	4,122	\$14,287	363	\$35,711	309	\$2,175
Nonfarm employment	18,285	\$24,347	9,181	\$21,451	3,825	\$29,060
Private employment	14,169	\$21,344	7,309	\$18,315	2,847	\$27,460
Ag. services, forestry, fishing, & other	929	\$16,466	961	\$12,800	60	\$5,250
Mining	96	\$29,896	41	\$33,927	(D)	(D)
Construction	915	\$24,357	388	\$22,126	187	\$19,786
Manufacturing	1,091	\$30,152	1,059	\$32,822	674	\$65,699
Transportation and public utilities	482	\$40,083	178	\$24,612	189	\$36,069
Wholesale trade	1,101	\$21,821	67	\$14,612	(D)	(D)
Retail trade	3,069	\$17,145	1,624	\$14,225	695	\$10,437
Finance, insurance, and real estate	1,175	\$10,862	607	\$13,132	211	\$10,716
Services	5,311	\$22,661	2,384	\$16,944	787	\$15,990
Government and government enterprises	4,116	\$34,682	1,872	\$33,698	978	\$33,715
Federal, civilian	899	\$48,938	75	\$44,213	123	\$49,642
Military	144	\$13,931	162	\$28,710	43	\$14,093
State and local	3,073	\$31,484	1,635	\$33,710	812	\$32,341
State	317	\$35,088	311	\$36,283	30	\$40,567
Local	2,756	\$31,069	1,324	\$33,106	782	\$32,026
	Pierce		San Juan		Skagit	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	336,201	\$32,402	9,329	\$21,303	59,319	\$28,879
Wage and salary employment	281,215	\$30,698	5,589	\$23,171	46,317	\$27,923
Proprietors' employment	54,986	\$19,439	3,740	\$15,106	13,002	\$22,499
Farm proprietors' employment	1,262	\$163	214	-\$2,421	960	\$16,383
Nonfarm proprietors' employment	53,724	\$19,892	3,526	\$16,170	12,042	\$22,987
Farm employment	2,002	\$10,576	227	-\$749	2,876	\$26,917
Nonfarm employment	334,199	\$32,533	9,102	\$21,853	56,443	\$28,979
Private employment	261,530	\$29,489	8,091	\$20,541	47,610	\$27,884
Ag. services, forestry, fishing, & other	4,592	\$19,162	376	\$16,021	2,168	\$27,830
Mining	359	\$41,852	(D)	(D)	100	\$26,150
Construction	21,706	\$38,424	1,256	\$32,428	4,674	\$39,442
Manufacturing	24,683	\$45,472	356	\$25,980	6,387	\$38,537
Transportation and public utilities	12,768	\$45,502	338	\$30,574	2,219	\$43,553
Wholesale trade	13,397	\$39,522	(D)	(D)	1,745	\$32,396
Retail trade	57,975	\$19,168	1,469	\$17,410	11,722	\$18,571
Finance, insurance, and real estate	26,407	\$28,907	1,035	\$14,791	3,664	\$20,716
Services	99,643	\$26,773	3,081	\$17,564	14,931	\$25,945
Government and government enterprises	72,669	\$43,487	1,011	\$32,356	8,833	\$34,881
Federal, civilian	9,806	\$50,774	72	\$48,944	466	\$52,105
Military	23,395	\$47,113	48	\$14,042	380	\$14,047
State and local	39,468	\$39,527	891	\$32,002	7,987	\$34,868
State	11,040	\$37,353	107	\$25,720	1,394	\$37,836
Local	28,428	\$40,372	784	\$32,860	6,593	\$34,240

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2 (cont'd)
2000 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Skamania		Snohomish		Spokane	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	2,979	\$25,136	282,847	\$34,901	250,334	\$31,453
Wage and salary employment	2,226	\$26,381	232,422	\$35,111	207,979	\$30,672
Proprietors' employment	753	\$8,879	50,425	\$16,462	42,355	\$18,761
Farm proprietors' employment	85	-\$8,212	1,423	-\$5,499	2,124	-\$373
Nonfarm proprietors' employment	668	\$11,054	49,002	\$17,100	40,231	\$19,771
Farm employment	95	-\$6,558	2,092	\$6,341	2,419	\$2,763
Nonfarm employment	2,884	\$26,180	280,755	\$35,114	247,915	\$31,733
Private employment	2,014	\$21,588	240,703	\$34,068	211,960	\$30,256
Ag. services, forestry, fishing, & other	45	\$10,644	4,931	\$19,856	2,555	\$16,274
Mining	(D)	(D)	645	\$45,682	313	\$56,332
Construction	228	\$33,781	22,403	\$40,457	15,249	\$34,560
Manufacturing	359	\$32,359	56,197	\$57,279	23,591	\$40,551
Transportation and public utilities	92	\$46,891	7,374	\$41,598	9,920	\$72,983
Wholesale trade	(D)	(D)	9,378	\$37,082	14,227	\$36,315
Retail trade	315	\$11,317	51,576	\$18,600	44,678	\$18,458
Finance, insurance, and real estate	172	\$4,355	20,681	\$26,880	21,212	\$28,579
Services	749	\$16,069	67,518	\$26,332	80,215	\$27,409
Government and government enterprises	870	\$36,810	40,052	\$41,399	35,955	\$40,442
Federal, civilian	226	\$58,367	2,511	\$55,810	4,490	\$61,275
Military	37	\$13,892	7,561	\$38,799	4,852	\$40,547
State and local	607	\$30,181	29,980	\$40,848	26,613	\$36,908
State	49	\$37,327	5,136	\$38,969	8,989	\$37,203
Local	558	\$29,554	24,844	\$41,236	17,624	\$36,758

	Stevens		Thurston		Wahkiakum	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	15,883	\$23,443	111,715	\$31,512	1,597	\$19,925
Wage and salary employment	10,792	\$25,222	90,584	\$31,780	915	\$24,953
Proprietors' employment	5,091	\$13,186	21,131	\$16,376	682	\$9,315
Farm proprietors' employment	1,319	\$2,677	1,006	-\$4,787	169	-\$2,059
Nonfarm proprietors' employment	3,772	\$16,861	20,125	\$17,434	513	\$13,062
Farm employment	1,376	\$3,483	1,639	\$10,355	174	-\$1,287
Nonfarm employment	14,507	\$25,337	110,076	\$31,827	1,423	\$22,519
Private employment	11,918	\$23,717	75,418	\$27,274	1,161	\$20,841
Ag. services, forestry, fishing, & other	325	\$13,892	2,009	\$14,664	204	\$11,897
Mining	94	\$46,766	121	\$24,967	(L)	(L)
Construction	837	\$26,166	6,143	\$35,802	(D)	(D)
Manufacturing	2,443	\$38,786	4,777	\$36,204	299	\$35,860
Transportation and public utilities	573	\$40,775	3,099	\$43,001	56	\$46,214
Wholesale trade	303	\$22,043	2,643	\$38,489	(D)	(D)
Retail trade	2,459	\$13,485	18,572	\$21,850	170	\$11,729
Finance, insurance, and real estate	768	\$11,539	7,067	\$21,490	68	\$12,559
Services	4,116	\$20,659	30,987	\$27,073	283	\$14,110
Government and government enterprises	2,589	\$32,791	34,658	\$41,736	262	\$29,954
Federal, civilian	411	\$50,993	1,102	\$60,587	17	\$37,118
Military	150	\$13,967	803	\$16,966	14	\$14,286
State and local	2,028	\$30,495	32,753	\$41,709	231	\$30,377
State	333	\$40,808	22,746	\$45,544	13	\$37,000
Local	1,695	\$28,469	10,007	\$32,993	218	\$29,982

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2 (cont'd)

2000 Full-Time and Part-Time Employees¹ and Earnings by Major Industry²

	Walla Walla		Whatcom		Whitman	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	31,478	\$27,572	93,646	\$26,974	22,058	\$26,858
Wage and salary employment	25,895	\$26,381	73,263	\$27,029	17,536	\$26,576
Proprietors' employment	5,583	\$19,454	20,383	\$16,948	4,522	\$13,048
Farm proprietors' employment	1,189	\$14,500	1,676	\$7,165	1,448	\$10,293
Nonfarm proprietors' employment	4,394	\$20,795	18,707	\$17,824	3,074	\$14,346
Farm employment	2,932	\$20,965	3,308	\$15,960	1,769	\$13,353
Nonfarm employment	28,546	\$28,251	90,338	\$27,378	20,289	\$28,036
Private employment	23,560	\$25,847	78,405	\$26,635	10,813	\$20,934
Ag. services, forestry, fishing, & other	(D)	(D)	2,707	\$13,142	304	\$30,862
Mining	(L)	(L)	205	\$33,249	(D)	(D)
Construction	1,284	\$31,329	7,791	\$38,777	(D)	(D)
Manufacturing	4,240	\$36,687	10,323	\$40,732	747	\$38,873
Transportation and public utilities	(D)	(D)	3,544	\$38,449	553	\$32,778
Wholesale trade	1,187	\$28,403	3,995	\$35,502	1,030	\$34,735
Retail trade	4,530	\$15,712	17,439	\$16,654	2,726	\$12,061
Finance, insurance, and real estate	1,656	\$20,931	6,241	\$23,271	976	\$15,371
Services	8,651	\$24,193	26,160	\$23,301	3,858	\$18,010
Government and government enterprises	4,986	\$39,607	11,933	\$32,258	9,476	\$36,139
Federal, civilian	875	\$65,863	877	\$68,599	290	\$56,693
Military	205	\$15,293	626	\$15,088	157	\$20,637
State and local	3,906	\$35,002	10,430	\$30,233	9,029	\$35,749
State	1,620	\$38,745	3,819	\$23,816	7,084	\$37,562
Local	2,286	\$32,349	6,611	\$33,940	1,945	\$29,144
Yakima						
	Employment	Earnings/Job				
Total full-time and part-time employment	115,277	\$27,087				
Wage and salary employment	95,514	\$25,508				
Proprietors' employment	19,763	\$22,748				
Farm proprietors' employment	4,656	\$23,216				
Nonfarm proprietors' employment	15,107	\$22,604				
Farm employment	15,960	\$23,112				
Nonfarm employment	99,317	\$27,726				
Private employment	84,491	\$26,102				
Ag. services, forestry, fishing, & other	5,025	\$19,132				
Mining	(D)	(D)				
Construction	4,608	\$33,667				
Manufacturing	12,045	\$32,692				
Transportation and public utilities	3,435	\$40,262				
Wholesale trade	7,417	\$31,283				
Retail trade	16,739	\$18,024				
Finance, insurance, and real estate	(D)	(D)				
Services	30,125	\$25,699				
Government and government enterprises	14,826	\$36,983				
Federal, civilian	1,563	\$53,161				
Military	885	\$16,606				
State and local	12,378	\$36,397				
State	2,871	\$38,542				
Local	9,507	\$35,750				

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.3

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Income by Place of Residence					
Personal income (thousands of dollars)	184,517,693	334,210	488,537	3,665,587	1,626,045
Nonfarm personal income	183,138,320	305,718	490,847	3,568,552	1,538,471
Farm income ³	1,379,373	28,492	-2,310	97,035	87,574
Population (number of persons)	5,908,372	16,447	20,569	143,055	66,754
Per capita personal income (dollars)	31,230	20,320	23,751	25,624	24,359
Derivation of Total Personal Income					
Earnings by place of work	135,547,159	204,190	174,687	2,672,905	1,250,007
Less: Personal cont. for social insurance ⁴	8,225,461	9,898	11,880	156,413	67,103
Plus: Adjustment for residence ⁵	2,390,524	1,294	115,588	47,787	-158,557
Equals: Net earnings by place of residence	129,712,222	195,586	278,395	2,564,279	1,024,347
Plus: Dividends, interest, and rent ⁶	33,121,758	70,871	107,112	594,538	333,493
Plus: Transfer payments	21,683,713	67,753	103,030	506,770	268,205
Earnings by Place of Work					
Wage and salary disbursements	109,997,632	163,442	129,269	2,277,089	941,356
Other labor income	11,356,796	16,292	13,504	224,608	96,139
Proprietors' income ⁷	14,192,731	24,456	31,914	171,208	212,512
Farm proprietors' income	370,300	-2,329	-3,393	21,942	22,915
Nonfarm proprietors' income	13,822,431	26,785	35,307	149,266	189,597
Earnings by Industry					
Farm earnings	1,379,373	28,492	-2,310	97,035	87,574
Nonfarm earnings	134,167,786	175,698	176,997	2,575,870	1,162,433
Private earnings	111,163,174	131,974	142,447	2,111,572	915,920
Ag. serv., forestry, fishing, and other ⁸	1,462,569	8,254	1,587	24,454	51,980
Agricultural services	890,168	8,039	1,317	(D)	(D)
Forestry, fishing, and other ⁸	572,401	215	270	(D)	(D)
Forestry	178,859	0	87	(D)	(D)
Fishing	393,542	215	183	820	604
Other ⁸	0	0	0	0	0
Mining	250,528	(D)	(D)	(D)	(D)
Metal mining	24,949	0	123	0	(D)
Coal mining	53,569	0	0	0	0
Oil and gas extraction	13,200	0	0	0	0
Nonmetallic minerals, except fuels	158,810	(D)	(D)	(D)	(D)
Construction	9,175,317	(D)	25,080	143,660	100,276
General building contractors	2,513,283	2,193	2,389	27,798	27,076
Heavy construction contractors	1,036,295	(D)	9,876	12,347	23,500
Special trade contractors	5,625,739	3,776	12,815	103,515	49,700
Manufacturing	19,155,381	32,122	12,424	214,873	114,366
Durable goods	14,062,708	591	12,268	44,203	83,232
Lumber and wood products	1,683,163	0	8,016	(D)	10,339
Furniture and fixtures	179,613	0	(D)	(D)	0
Stone, clay, and glass products	391,282	(D)	(D)	679	2,762
Primary metal industries	578,945	0	0	19,531	(D)
Fabricated metal products	596,463	0	(D)	(D)	1,479
Industrial machinery and equipment	1,538,435	(D)	966	5,795	2,260

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Electronic and other electric equipment	1,027,752	0	(D)	1,635	(D)
Motor vehicles and equipment	297,669	(D)	(D)	(D)	0
Other transportation equipment	6,426,298	0	(D)	(D)	(D)
Instruments and related products	935,684	0	(D)	10,606	(D)
Miscellaneous manufacturing industries	407,404	0	(D)	(D)	873
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	5,092,673	31,531	156	170,670	31,134
Food and kindred products	1,461,050	30,865	(D)	80,256	11,797
Tobacco products	0	0	0	0	0
Textile mill products	43,635	0	0	(D)	0
Apparel and other textile products	181,035	0	(D)	691	443
Paper and allied products	893,556	0	0	0	(D)
Printing and publishing	1,041,878	(D)	0	10,889	8,993
Chemicals and allied products	935,617	(D)	0	78,516	(D)
Petroleum and coal products	168,882	0	0	0	0
Rubber and misc. plastics products	358,013	(D)	0	(D)	(D)
Leather and leather products	9,007	0	0	0	0
Transportation and public utilities	9,399,120	17,668	(D)	539,916	(D)
Railroad transportation	(D)	589	0	(D)	4,556
Trucking and warehousing	1,576,222	13,455	3,474	13,941	34,057
Water transportation	578,268	0	(D)	(D)	(D)
Other transportation	(D)	(D)	832	(D)	8,386
Local and interurban passenger transit	202,478	0	561	(D)	2,475
Transportation by air	1,244,513	0	(D)	584	3,537
Pipelines, except natural gas	(D)	0	0	0	0
Transportation services	596,671	(D)	(D)	3,333	2,374
Communications	3,521,641	(D)	(D)	22,315	7,910
Electric, gas, and sanitary services	1,391,505	(D)	(D)	495,794	8,316
Wholesale trade	7,956,458	21,374	4,018	(D)	67,761
Retail trade	12,661,122	17,121	26,355	230,401	145,793
Building materials and garden equipment	733,951	969	2,394	16,521	14,397
General merchandise stores	1,308,608	(D)	(D)	36,607	14,829
Food stores	1,880,712	3,603	4,784	30,432	22,471
Automotive dealers and service stations	1,933,559	4,067	2,693	35,691	23,229
Apparel and accessory stores	687,062	(D)	(D)	8,688	2,448
Home furniture and furnishings stores	825,725	508	848	14,819	7,964
Eating and drinking places	3,061,526	4,673	5,425	55,300	34,115
Miscellaneous retail	2,229,979	2,718	5,162	32,343	26,340
Finance, insurance, and real estate	8,811,564	(D)	8,245	82,772	55,388
Depository & non-depository institutions	2,300,829	(D)	(D)	(D)	16,304
Other finance, insurance, & real estate	6,510,735	2,264	(D)	(D)	39,084
Security & commodity brokers	1,178,825	(D)	(D)	9,888	4,806
Insurance carriers	1,513,184	(D)	530	5,520	3,677
Insurance agents, brokers, and service	906,955	1,075	1,744	10,423	6,575
Real estate	2,530,388	949	3,246	29,172	23,412

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	381,383	118	(D)	(D)	614
Services	42,291,115	24,603	55,391	829,404	314,067
Hotels and other lodging places	732,653	1,103	2,055	10,048	15,845
Personal services	957,819	832	3,595	15,018	7,897
Private households	(D)	(D)	(D)	(D)	(D)
Business services	17,243,235	1,431	5,454	115,267	28,016
Auto repair, services, and parking	1,106,038	2,743	1,780	14,625	9,942
Miscellaneous repair services	423,166	1,015	(D)	3,551	3,815
Amusement and recreation services	1,267,851	561	2,452	13,942	7,622
Motion pictures	189,105	152	(D)	1,552	888
Health services	9,358,208	9,950	24,623	131,840	166,126
Legal services	2,111,569	828	1,774	17,595	17,247
Educational services	1,031,014	(D)	(D)	13,783	3,841
Social services	1,289,053	1,448	3,861	29,051	12,150
Museums, botanical, zoological gardens	(D)	0	(D)	(D)	136
Membership organizations	1,337,057	2,218	3,281	23,245	11,913
Engineering and management services	4,493,966	1,143	1,661	430,060	16,634
Miscellaneous services	498,846	350	2,710	6,362	(D)
Government and government enterprises	23,004,612	43,724	34,550	464,298	246,513
Federal, civilian	4,400,229	2,827	4,027	75,512	40,753
Military	2,932,398	796	1,108	7,693	3,231
State and local	15,671,985	40,101	29,415	381,093	202,529
State	5,167,768	2,522	4,662	29,653	44,741
Local	10,504,217	37,579	24,753	351,440	157,788

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Income by Place of Residence					
Personal income (thousands of dollars)	1,573,934	10,100,784	99,430	2,181,520	699,823
Nonfarm personal income	1,572,360	10,092,020	90,339	2,175,182	674,100
Farm income ³	1,574	8,764	9,091	6,338	25,723
Population (number of persons)	64,702	347,285	4,073	93,014	32,688
Per capita personal income (dollars)	24,326	29,085	24,412	23,454	21,409
Derivation of Total Personal Income					
Earnings by place of work	765,878	5,127,151	60,543	1,511,830	252,488
Less: Personal cont. for social insurance ⁴	45,842	316,895	2,861	98,746	14,448
Plus: Adjustment for residence ⁵	7,744	2,382,881	-4,468	-38,680	189,764
Equals: Net earnings by place of residence	727,780	7,193,137	53,214	1,374,404	427,804
Plus: Dividends, interest, and rent ⁶	497,610	1,757,873	24,963	385,221	139,270
Plus: Transfer payments	348,544	1,149,774	21,253	421,895	132,749
Earnings by Place of Work					
Wage and salary disbursements	561,902	4,007,609	42,646	1,262,697	210,343
Other labor income	64,154	410,291	5,394	120,601	22,618
Proprietors' income ⁷	139,822	709,251	12,503	128,532	19,527
Farm proprietors' income	(L)	2,360	6,812	78	-3,240
Nonfarm proprietors' income	139,811	706,891	5,691	128,454	22,767
Earnings by Industry					
Farm earnings	1,574	8,764	9,091	6,338	25,723
Nonfarm earnings	764,304	5,118,387	51,452	1,505,492	226,765
Private earnings	538,196	4,286,514	34,811	1,300,455	151,713
Ag. serv., forestry, fishing, and other ⁸	18,636	35,971	1,641	12,147	15,795
Agricultural services	3,403	29,613	(D)	(D)	(D)
Forestry, fishing, and other ⁸	15,233	6,358	(D)	(D)	(D)
Forestry	6,653	(D)	(L)	6,034	(L)
Fishing	8,580	(D)	(D)	(D)	(D)
Other ⁸	0	0	0	0	0
Mining	1,440	18,614	(D)	18,424	256
Metal mining	(L)	0	0	(D)	0
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	0	0
Nonmetallic minerals, except fuels	1,425	18,614	(D)	(D)	256
Construction	70,376	577,554	4,985	126,332	16,173
General building contractors	21,977	118,334	(D)	27,374	(D)
Heavy construction contractors	7,317	70,465	(D)	13,453	(D)
Special trade contractors	41,082	388,755	2,430	85,505	8,339
Manufacturing	81,652	988,737	(D)	486,545	7,224
Durable goods	51,813	687,664	(D)	206,719	(D)
Lumber and wood products	43,176	41,323	2,100	95,249	(D)
Furniture and fixtures	(D)	1,369	0	(D)	0
Stone, clay, and glass products	4,743	15,626	(D)	1,652	(D)
Primary metal industries	0	(D)	0	65,257	(D)
Fabricated metal products	987	50,916	(D)	5,441	(D)
Industrial machinery and equipment	194	255,483	0	24,637	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Electronic and other electric equipment	(D)	248,866	0	2,286	0
Motor vehicles and equipment	0	7,701	0	0	0
Other transportation equipment	(D)	(D)	(D)	(D)	(D)
Instruments and related products	(D)	11,909	0	(D)	0
Miscellaneous manufacturing industries	762	8,443	0	8,422	0
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	29,839	301,073	(D)	279,826	(D)
Food and kindred products	1,302	49,784	(D)	(D)	(D)
Tobacco products	0	0	0	0	0
Textile mill products	(D)	(D)	0	0	0
Apparel and other textile products	148	3,295	0	330	0
Paper and allied products	(D)	149,289	0	230,246	0
Printing and publishing	5,559	26,385	(D)	8,893	(D)
Chemicals and allied products	(D)	17,383	0	(D)	0
Petroleum and coal products	0	0	0	(D)	0
Rubber and misc. plastics products	(D)	36,267	0	(D)	0
Leather and leather products	0	(D)	0	0	0
Transportation and public utilities	37,325	418,869	3,293	89,705	13,901
Railroad transportation	0	36,175	80	6,941	596
Trucking and warehousing	19,370	107,444	(D)	40,229	9,363
Water transportation	2,300	27,656	(D)	(D)	(L)
Other transportation	7,453	22,899	(D)	5,296	3,142
Local and interurban passenger transit	2,360	(D)	(D)	646	0
Transportation by air	3,445	(D)	0	2,853	(D)
Pipelines, except natural gas	0	0	0	0	0
Transportation services	1,648	11,382	0	1,797	(D)
Communications	4,615	213,572	(D)	7,092	(D)
Electric, gas, and sanitary services	3,587	11,123	(D)	(D)	(D)
Wholesale trade	20,207	271,900	1,743	55,581	12,294
Retail trade	98,682	521,348	3,734	152,202	37,917
Building materials and garden equipment	7,949	28,251	(D)	5,469	(D)
General merchandise stores	15,054	53,539	(D)	19,645	11,267
Food stores	21,920	91,414	1,446	32,274	5,797
Automotive dealers and service stations	16,050	90,150	(D)	32,608	4,369
Apparel and accessory stores	1,494	13,181	(D)	1,137	1,859
Home furniture and furnishings stores	4,646	19,188	(D)	6,571	(D)
Eating and drinking places	20,558	130,844	574	39,285	8,651
Miscellaneous retail	11,011	94,781	563	15,213	3,044
Finance, insurance, and real estate	34,975	256,101	1,215	49,601	6,043
Depository & non-depository institutions	(D)	80,145	729	26,779	2,793
Other finance, insurance, & real estate	(D)	175,956	486	22,822	3,250
Security & commodity brokers	3,644	10,283	0	1,165	0
Insurance carriers	2,925	21,487	0	2,582	(D)
Insurance agents, brokers, and service	3,742	28,431	(D)	5,176	581
Real estate	13,305	104,499	(D)	12,218	1,653

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	11,256	(L)	1,681	(D)
Services	174,903	1,197,420	(D)	309,918	42,110
Hotels and other lodging places	7,658	26,200	184	4,051	(D)
Personal services	7,184	44,920	(D)	8,244	3,001
Private households	(D)	(D)	76	(D)	(D)
Business services	15,858	257,297	(D)	53,441	3,564
Auto repair, services, and parking	9,072	55,849	(D)	10,184	3,635
Miscellaneous repair services	4,716	24,727	(D)	6,674	(D)
Amusement and recreation services	9,451	34,557	(D)	5,155	5,723
Motion pictures	639	4,091	(D)	762	(D)
Health services	55,772	427,294	882	145,043	11,235
Legal services	5,429	50,822	(D)	14,888	1,133
Educational services	2,909	21,880	(D)	4,820	1,198
Social services	14,731	57,925	(D)	15,137	1,520
Museums, botanical, zoological gardens	(L)	(D)	(D)	(D)	0
Membership organizations	22,146	50,130	(D)	15,452	4,365
Engineering and management services	12,845	123,478	152	19,784	2,947
Miscellaneous services	(D)	11,905	272	(D)	(D)
Government and government enterprises	226,108	831,873	16,641	205,037	75,052
Federal, civilian	23,304	194,463	4,196	16,646	11,627
Military	15,450	18,336	217	4,854	2,132
State and local	187,354	619,074	12,228	183,537	61,293
State	49,685	104,666	1,233	36,980	3,066
Local	137,669	514,408	10,995	146,557	58,227

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Income by Place of Residence					
Personal income (thousands of dollars)	120,990	932,083	52,369	1,507,484	1,471,312
Nonfarm personal income	118,523	826,230	52,888	1,310,045	1,463,483
Farm income ³	2,467	105,853	-519	197,439	7,829
Population (number of persons)	7,290	49,545	2,391	74,960	67,158
Per capita personal income (dollars)	16,597	18,813	21,903	20,111	21,908
Derivation of Total Personal Income					
Earnings by place of work	64,707	744,176	27,705	1,002,935	894,717
Less: Personal cont. for social insurance ⁴	3,181	36,338	1,060	45,007	55,319
Plus: Adjustment for residence ⁵	2,799	-119,170	-1,824	-20,738	13,284
Equals: Net earnings by place of residence	64,325	588,668	24,821	937,190	852,682
Plus: Dividends, interest, and rent ⁶	23,406	146,330	16,316	261,970	272,156
Plus: Transfer payments	33,259	197,085	11,232	308,324	346,474
Earnings by Place of Work					
Wage and salary disbursements	44,772	582,226	22,119	743,607	700,300
Other labor income	7,169	60,747	4,374	77,100	70,186
Proprietors' income ⁷	12,766	101,203	1,212	182,228	124,231
Farm proprietors' income	2,431	31,238	-1,773	90,040	5,416
Nonfarm proprietors' income	10,335	69,965	2,985	92,188	118,815
Earnings by Industry					
Farm earnings	2,467	105,853	-519	197,439	7,829
Nonfarm earnings	62,240	638,323	28,224	805,496	886,888
Private earnings	38,915	477,435	11,228	570,914	699,600
Ag. serv., forestry, fishing, and other ⁸	1,281	19,432	(D)	30,593	(D)
Agricultural services	(D)	19,003	(D)	(D)	2,707
Forestry, fishing, and other ⁸	(D)	429	(L)	(D)	(D)
Forestry	(D)	117	0	132	(D)
Fishing	116	312	(L)	(D)	13,424
Other ⁸	0	0	0	0	0
Mining	(D)	2,502	0	(D)	(D)
Metal mining	(D)	0	0	(L)	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	0	0
Nonmetallic minerals, except fuels	278	2,502	0	(D)	(D)
Construction	2,755	54,683	(D)	41,568	61,449
General building contractors	656	5,178	393	8,611	20,624
Heavy construction contractors	719	7,716	(D)	8,717	14,042
Special trade contractors	1,380	41,789	(D)	24,240	26,783
Manufacturing	8,224	59,596	(D)	151,577	201,315
Durable goods	(D)	13,256	0	48,042	138,782
Lumber and wood products	7,458	5,540	0	(D)	101,748
Furniture and fixtures	0	(D)	0	(D)	(D)
Stone, clay, and glass products	(D)	(D)	0	(D)	(D)
Primary metal industries	0	(D)	0	26,041	(D)
Fabricated metal products	0	(D)	0	(D)	(D)
Industrial machinery and equipment	(D)	1,561	0	2,072	20,836

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Electronic and other electric equipment	0	(D)	0	(D)	(D)
Motor vehicles and equipment	0	(D)	0	(D)	0
Other transportation equipment	0	(D)	0	(D)	12,473
Instruments and related products	0	(D)	0	(D)	0
Miscellaneous manufacturing industries	0	69	0	0	648
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	(D)	46,340	(D)	103,535	62,533
Food and kindred products	0	45,145	(D)	86,754	8,164
Tobacco products	0	0	0	0	0
Textile mill products	0	0	0	0	0
Apparel and other textile products	0	(D)	0	129	0
Paper and allied products	0	0	0	(D)	(D)
Printing and publishing	(D)	866	(D)	3,749	2,734
Chemicals and allied products	0	(D)	0	(D)	(D)
Petroleum and coal products	0	0	0	0	0
Rubber and misc. plastics products	0	(D)	0	0	(D)
Leather and leather products	0	0	0	0	0
Transportation and public utilities	2,011	59,586	1,010	47,817	46,629
Railroad transportation	0	21,340	0	2,003	877
Trucking and warehousing	785	18,441	(D)	31,126	24,509
Water transportation	(D)	(L)	(D)	(D)	(D)
Other transportation	(L)	10,423	0	(D)	3,498
Local and interurban passenger transit	0	(D)	0	(D)	(D)
Transportation by air	0	8,205	0	6,055	(D)
Pipelines, except natural gas	0	(D)	0	(D)	0
Transportation services	(L)	447	0	326	776
Communications	(D)	2,532	0	5,563	10,070
Electric, gas, and sanitary services	(D)	6,831	(D)	715	(D)
Wholesale trade	(D)	54,897	4,459	48,392	25,037
Retail trade	5,871	67,529	1,684	92,973	110,587
Building materials and garden equipment	(D)	2,239	(D)	9,451	(D)
General merchandise stores	(D)	2,348	0	7,370	10,666
Food stores	1,241	13,397	(D)	18,801	25,937
Automotive dealers and service stations	921	26,964	(D)	18,544	20,845
Apparel and accessory stores	(D)	762	0	1,529	(D)
Home furniture and furnishings stores	(D)	2,137	(D)	3,767	4,682
Eating and drinking places	1,675	12,988	134	19,876	26,397
Miscellaneous retail	1,050	6,694	(D)	13,635	11,979
Finance, insurance, and real estate	1,017	11,552	792	(D)	37,197
Depository & non-depository institutions	(D)	(D)	(D)	7,762	14,732
Other finance, insurance, & real estate	(D)	(D)	(D)	(D)	22,465
Security & commodity brokers	0	(L)	0	(D)	(D)
Insurance carriers	(D)	(D)	0	1,366	4,976
Insurance agents, brokers, and service	(D)	1,333	(D)	4,499	2,887
Real estate	638	4,580	87	7,192	12,573

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(L)	386	(L)	999	(D)
Services	(D)	147,658	2,021	133,069	192,429
Hotels and other lodging places	799	(D)	(D)	5,116	18,769
Personal services	292	2,240	(D)	4,470	5,668
Private households	(D)	(D)	(D)	(D)	(D)
Business services	(D)	25,836	(L)	12,864	23,829
Auto repair, services, and parking	(D)	14,774	(D)	7,565	6,975
Miscellaneous repair services	(D)	6,136	(D)	2,076	4,252
Amusement and recreation services	62	1,416	(L)	4,089	4,458
Motion pictures	(D)	85	0	458	340
Health services	(D)	60,652	(D)	47,443	68,436
Legal services	(D)	3,728	(D)	8,015	10,653
Educational services	(L)	3,806	(L)	3,207	(D)
Social services	161	6,193	(D)	7,435	8,268
Museums, botanical, zoological gardens	(D)	(D)	0	(D)	308
Membership organizations	3,532	7,809	(D)	12,003	25,896
Engineering and management services	329	4,277	80	11,900	6,813
Miscellaneous services	169	2,810	259	(D)	4,147
Government and government enterprises	23,325	160,888	16,996	234,582	187,288
Federal, civilian	7,432	31,667	7,075	16,406	12,918
Military	374	2,443	122	3,760	5,066
State and local	15,519	126,778	9,799	214,416	169,304
State	958	34,701	739	26,483	37,268
Local	14,561	92,077	9,060	187,933	132,036

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Income by Place of Residence					
Personal income (thousands of dollars)	1,982,899	706,938	79,109,294	5,916,482	709,800
Nonfarm personal income	1,980,441	704,601	79,081,897	5,913,335	698,724
Farm income ³	2,458	2,337	27,397	3,147	11,076
Population (number of persons)	71,822	26,091	1,737,290	232,541	33,488
Per capita personal income (dollars)	27,609	27,095	45,536	25,443	21,196
Derivation of Total Personal Income					
Earnings by place of work	970,140	279,404	71,151,919	3,777,945	419,295
Less: Personal cont. for social insurance ⁴	45,314	17,294	4,573,660	156,057	20,374
Plus: Adjustment for residence ⁵	302,452	74,435	-6,918,248	252,957	29,994
Equals: Net earnings by place of residence	1,227,278	336,545	59,660,011	3,874,845	428,915
Plus: Dividends, interest, and rent ⁶	509,435	235,817	13,608,030	1,286,938	158,552
Plus: Transfer payments	246,186	134,576	5,841,253	754,699	122,333
Earnings by Place of Work					
Wage and salary disbursements	655,576	203,195	59,063,777	2,800,158	301,020
Other labor income	189,720	22,654	5,229,672	639,289	36,271
Proprietors' income ⁷	124,844	53,555	6,858,470	338,498	82,004
Farm proprietors' income	409	1,512	-2,801	1,979	-75
Nonfarm proprietors' income	124,435	52,043	6,861,271	336,519	82,079
Earnings by Industry					
Farm earnings	2,458	2,337	27,397	3,147	11,076
Nonfarm earnings	967,682	277,067	71,124,522	3,774,798	408,219
Private earnings	378,457	204,757	64,033,991	1,729,088	264,572
Ag. serv., forestry, fishing, and other ⁸	8,008	7,824	595,648	46,071	4,936
Agricultural services	3,457	(D)	328,710	16,250	(D)
Forestry, fishing, and other ⁸	4,551	(D)	266,938	29,821	(D)
Forestry	(D)	(D)	89,381	7,354	(D)
Fishing	(D)	4,318	177,557	22,467	216
Other ⁸	0	0	0	0	0
Mining	(D)	(D)	43,112	5,165	(D)
Metal mining	(L)	0	(D)	(L)	(L)
Coal mining	0	0	(D)	0	0
Oil and gas extraction	0	539	905	0	0
Nonmetallic minerals, except fuels	(D)	(D)	28,288	5,163	(D)
Construction	61,843	27,267	4,205,669	215,126	24,741
General building contractors	26,419	10,214	1,278,456	58,442	9,516
Heavy construction contractors	3,463	2,373	367,542	21,091	2,646
Special trade contractors	31,961	14,680	2,559,671	135,593	12,579
Manufacturing	27,173	41,584	9,344,079	80,043	33,599
Durable goods	26,292	(D)	7,080,242	46,606	(D)
Lumber and wood products	(D)	2,904	473,762	(D)	9,569
Furniture and fixtures	1,171	(D)	98,317	5,733	(D)
Stone, clay, and glass products	751	(D)	163,812	6,210	(D)
Primary metal industries	0	(D)	58,830	0	(D)
Fabricated metal products	(D)	(D)	248,386	1,825	(D)
Industrial machinery and equipment	1,766	824	(D)	1,552	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Electronic and other electric equipment	(D)	(D)	456,040	1,028	0
Motor vehicles and equipment	0	0	211,894	0	0
Other transportation equipment	(D)	3,416	(D)	(D)	(D)
Instruments and related products	(D)	(D)	492,263	8,572	0
Miscellaneous manufacturing industries	(D)	427	315,592	7,810	(D)
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	881	(D)	2,263,837	33,437	(D)
Food and kindred products	(D)	460	630,294	307	(D)
Tobacco products	0	0	0	0	0
Textile mill products	(D)	(D)	6,424	0	0
Apparel and other textile products	90	398	103,257	8,201	0
Paper and allied products	0	(D)	111,467	(D)	0
Printing and publishing	433	2,485	621,934	22,243	2,593
Chemicals and allied products	(D)	0	656,168	(D)	0
Petroleum and coal products	(D)	(D)	(D)	0	0
Rubber and misc. plastics products	(D)	0	124,011	2,526	0
Leather and leather products	(D)	0	(D)	0	0
Transportation and public utilities	18,527	10,441	5,506,230	89,385	40,359
Railroad transportation	1,767	190	91,655	0	641
Trucking and warehousing	4,498	3,242	559,396	20,535	25,306
Water transportation	(D)	944	386,947	(D)	(L)
Other transportation	(D)	(D)	(D)	(D)	2,663
Local and interurban passenger transit	(D)	(D)	121,806	6,287	(D)
Transportation by air	354	(D)	1,049,309	(D)	(D)
Pipelines, except natural gas	0	0	(D)	0	0
Transportation services	365	505	473,646	2,913	1,198
Communications	7,099	(D)	2,304,695	34,871	9,181
Electric, gas, and sanitary services	3,918	4,398	(D)	16,471	2,556
Wholesale trade	(D)	(D)	5,135,708	55,011	22,986
Retail trade	81,185	34,107	6,064,450	338,456	57,524
Building materials and garden equipment	7,528	3,583	273,448	25,470	3,915
General merchandise stores	6,306	(D)	610,967	47,048	1,483
Food stores	15,020	9,296	718,776	61,835	10,422
Automotive dealers and service stations	11,725	4,111	681,197	64,927	11,589
Apparel and accessory stores	1,136	(D)	512,884	7,698	758
Home furniture and furnishings stores	3,459	1,545	395,201	15,931	3,120
Eating and drinking places	18,434	10,866	1,549,305	77,568	20,190
Miscellaneous retail	17,577	4,064	1,322,672	37,979	6,047
Finance, insurance, and real estate	46,687	12,580	5,474,802	125,391	(D)
Depository & non-depository institutions	21,661	(D)	1,300,961	39,963	2,776
Other finance, insurance, & real estate	25,026	(D)	4,173,841	85,428	(D)
Security & commodity brokers	(D)	0	818,797	(D)	(D)
Insurance carriers	2,150	1,198	981,374	12,366	1,219
Insurance agents, brokers, and service	4,506	(D)	578,584	12,987	1,407
Real estate	17,206	7,327	1,524,624	46,630	5,568

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	(L)	270,462	(D)	(D)
Services	124,447	65,370	27,664,293	774,440	68,384
Hotels and other lodging places	3,891	4,665	386,899	9,829	3,755
Personal services	5,157	2,980	459,012	20,672	3,488
Private households	(D)	(D)	(D)	(D)	1,143
Business services	26,988	20,461	14,920,502	153,348	9,592
Auto repair, services, and parking	3,872	2,884	511,624	26,582	4,070
Miscellaneous repair services	2,780	1,722	180,896	6,928	(D)
Amusement and recreation services	4,658	1,915	748,431	24,708	3,362
Motion pictures	806	437	141,926	3,241	(D)
Health services	28,426	10,340	3,916,224	269,583	21,347
Legal services	4,714	737	1,471,623	23,537	3,255
Educational services	5,118	2,116	587,552	15,297	2,056
Social services	6,653	7,782	544,114	35,398	4,782
Museums, botanical, zoological gardens	(D)	(D)	(D)	(D)	149
Membership organizations	9,047	4,016	463,561	43,869	5,539
Engineering and management services	12,619	2,916	2,933,268	124,787	2,254
Miscellaneous services	7,306	1,718	268,889	7,435	(D)
Government and government enterprises	589,225	72,310	7,090,531	2,045,710	143,647
Federal, civilian	65,250	11,029	1,504,041	1,016,773	9,752
Military	418,049	1,890	167,092	616,887	2,625
State and local	105,926	59,391	5,419,398	412,050	131,270
State	13,074	12,765	1,904,949	79,335	76,388
Local	92,852	46,626	3,514,449	332,715	54,882

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Income by Place of Residence					
Personal income (thousands of dollars)	411,075	1,463,611	223,919	1,050,952	796,185
Nonfarm personal income	401,389	1,448,868	210,244	1,050,015	737,295
Farm income ³	9,686	14,743	13,675	937	58,890
Population (number of persons)	19,245	68,662	10,188	49,549	39,577
Per capita personal income (dollars)	21,360	21,316	21,979	21,210	20,117
Derivation of Total Personal Income					
Earnings by place of work	234,925	906,606	103,755	464,297	504,070
Less: Personal cont. for social insurance ⁴	13,459	56,744	4,834	27,669	24,130
Plus: Adjustment for residence ⁵	-621	-8,684	11,826	125,406	-11,892
Equals: Net earnings by place of residence	220,845	841,178	110,747	562,034	468,048
Plus: Dividends, interest, and rent ⁶	100,901	283,716	67,504	248,389	142,524
Plus: Transfer payments	89,329	338,717	45,668	240,529	185,613
Earnings by Place of Work					
Wage and salary disbursements	176,766	715,538	72,573	341,993	361,068
Other labor income	20,915	72,356	9,534	36,458	45,807
Proprietors' income ⁷	37,244	118,712	21,648	85,846	97,195
Farm proprietors' income	958	7,197	7,002	-200	12,707
Nonfarm proprietors' income	36,286	111,515	14,646	86,046	84,488
Earnings by Industry					
Farm earnings	9,686	14,743	13,675	937	58,890
Nonfarm earnings	225,239	891,863	90,080	463,360	445,180
Private earnings	168,815	718,575	53,019	330,284	302,429
Ag. serv., forestry, fishing, and other ⁸	8,244	17,221	3,413	9,782	15,297
Agricultural services	(D)	4,009	3,070	4,779	12,049
Forestry, fishing, and other ⁸	(D)	13,212	343	5,003	3,248
Forestry	966	11,459	341	1,920	(D)
Fishing	(D)	1,753	(L)	3,083	(D)
Other ⁸	0	0	0	0	0
Mining	(D)	43,280	0	10,126	2,870
Metal mining	(L)	(L)	0	0	(D)
Coal mining	0	(D)	0	0	0
Oil and gas extraction	0	(D)	0	9,535	0
Nonmetallic minerals, except fuels	(D)	6,032	0	591	(D)
Construction	14,794	56,513	4,350	40,089	22,287
General building contractors	4,194	14,099	(D)	8,751	7,892
Heavy construction contractors	3,290	18,999	(D)	772	1,809
Special trade contractors	7,310	23,415	2,575	30,566	12,586
Manufacturing	60,580	155,992	1,874	84,170	32,896
Durable goods	59,745	132,009	795	73,969	29,469
Lumber and wood products	18,338	108,475	(D)	62,988	27,965
Furniture and fixtures	(D)	995	0	(D)	0
Stone, clay, and glass products	392	1,513	0	798	936
Primary metal industries	(D)	(D)	0	(D)	0
Fabricated metal products	0	4,165	0	(D)	(D)
Industrial machinery and equipment	870	1,816	0	366	243

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Electronic and other electric equipment	(D)	(D)	0	(D)	0
Motor vehicles and equipment	0	(D)	0	0	0
Other transportation equipment	0	(D)	(D)	(D)	(D)
Instruments and related products	0	(D)	0	(D)	0
Miscellaneous manufacturing industries	(D)	1,682	0	(D)	(D)
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	835	23,983	1,079	10,201	3,427
Food and kindred products	(D)	14,489	(D)	8,616	406
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	0	0	0
Apparel and other textile products	(D)	1,282	(D)	(D)	(D)
Paper and allied products	0	0	0	(D)	0
Printing and publishing	(D)	5,570	229	(D)	2,989
Chemicals and allied products	0	(D)	0	0	(D)
Petroleum and coal products	0	0	0	0	0
Rubber and misc. plastics products	(D)	988	0	206	0
Leather and leather products	0	(D)	0	0	0
Transportation and public utilities	31,886	72,041	5,622	21,534	19,320
Railroad transportation	8,764	4,106	1,357	456	827
Trucking and warehousing	9,402	36,112	1,162	10,800	7,212
Water transportation	0	(L)	0	(D)	0
Other transportation	(D)	5,717	56	(D)	3,244
Local and interurban passenger transit	(L)	(D)	0	(D)	(D)
Transportation by air	0	(D)	(L)	(D)	(D)
Pipelines, except natural gas	0	0	0	0	0
Transportation services	(D)	3,226	(L)	(D)	732
Communications	1,362	7,239	(D)	2,800	2,977
Electric, gas, and sanitary services	(D)	18,859	(D)	4,864	5,060
Wholesale trade	(D)	37,067	8,649	12,349	24,025
Retail trade	13,265	142,277	8,689	46,815	52,617
Building materials and garden equipment	(D)	12,528	(D)	6,088	4,998
General merchandise stores	(D)	31,741	105	(D)	(D)
Food stores	3,488	25,116	2,429	11,415	12,188
Automotive dealers and service stations	2,243	24,904	2,014	6,622	8,945
Apparel and accessory stores	(D)	3,276	(D)	(D)	(D)
Home furniture and furnishings stores	(D)	5,196	149	1,131	(D)
Eating and drinking places	3,337	24,993	2,010	11,555	9,817
Miscellaneous retail	2,915	14,523	1,463	4,206	9,775
Finance, insurance, and real estate	7,006	27,712	5,479	18,577	12,763
Depository & non-depository institutions	(D)	(D)	3,058	(D)	(D)
Other finance, insurance, & real estate	(D)	(D)	2,421	(D)	(D)
Security & commodity brokers	(D)	377	(L)	73	(D)
Insurance carriers	(D)	4,478	(D)	1,351	771
Insurance agents, brokers, and service	1,159	4,136	1,018	(D)	884
Real estate	3,003	8,193	(D)	8,349	6,461

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	265	(D)	236	280	(D)
Services	28,156	166,472	14,943	86,842	120,354
Hotels and other lodging places	801	4,549	(D)	3,975	7,903
Personal services	1,119	5,031	(D)	3,151	4,320
Private households	(D)	(D)	(D)	(D)	(D)
Business services	3,047	24,630	(D)	5,665	12,492
Auto repair, services, and parking	938	6,781	436	6,341	5,263
Miscellaneous repair services	561	2,558	(D)	1,340	1,506
Amusement and recreation services	663	3,241	532	(D)	(D)
Motion pictures	68	508	0	(D)	329
Health services	8,736	81,585	4,150	22,497	35,475
Legal services	984	5,837	1,847	3,079	3,560
Educational services	(D)	2,173	(D)	2,757	(D)
Social services	2,004	6,440	677	6,356	4,407
Museums, botanical, zoological gardens	(D)	(D)	0	(D)	0
Membership organizations	2,637	9,424	1,294	13,358	(D)
Engineering and management services	2,588	7,061	(D)	3,078	4,385
Miscellaneous services	(D)	(D)	580	1,360	(D)
Government and government enterprises	56,424	173,288	37,061	133,076	142,751
Federal, civilian	6,104	15,242	3,433	6,511	43,995
Military	1,019	3,582	509	2,628	2,006
State and local	49,301	154,464	33,119	123,937	96,750
State	7,329	43,392	2,968	41,836	11,123
Local	41,972	111,072	30,151	82,101	85,627

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Income by Place of Residence					
Personal income (thousands of dollars)	440,091	223,281	18,003,889	506,540	2,731,740
Nonfarm personal income	427,128	222,609	17,982,716	506,710	2,654,327
Farm income ³	12,963	672	21,173	-170	77,413
Population (number of persons)	20,915	11,748	703,631	14,160	103,421
Per capita personal income (dollars)	21,042	19,006	25,587	35,773	26,414
Derivation of Total Personal Income					
Earnings by place of work	209,909	111,825	10,893,533	198,736	1,713,095
Less: Personal cont. for social insurance ⁴	12,127	6,436	618,883	12,634	100,286
Plus: Adjustment for residence ⁵	14,384	11,954	2,202,014	20,864	51,767
Equals: Net earnings by place of residence	212,166	117,343	12,476,664	206,966	1,664,576
Plus: Dividends, interest, and rent ⁶	108,981	47,972	2,964,336	245,612	624,761
Plus: Transfer payments	118,944	57,966	2,562,889	53,962	442,403
Earnings by Place of Work					
Wage and salary disbursements	147,850	75,247	8,632,755	129,502	1,293,308
Other labor income	17,010	9,757	1,191,910	12,736	127,250
Proprietors' income ⁷	45,049	26,821	1,068,868	56,498	292,537
Farm proprietors' income	11,859	532	206	-518	15,728
Nonfarm proprietors' income	33,190	26,289	1,068,662	57,016	276,809
Earnings by Industry					
Farm earnings	12,963	672	21,173	-170	77,413
Nonfarm earnings	196,946	111,153	10,872,360	198,906	1,635,682
Private earnings	133,863	78,180	7,712,197	166,194	1,327,576
Ag. serv., forestry, fishing, and other ⁸	12,301	315	87,990	6,024	60,335
Agricultural services	(D)	(D)	55,671	(D)	14,515
Forestry, fishing, and other ⁸	(D)	(D)	32,319	(D)	45,820
Forestry	(D)	(D)	12,616	(D)	(D)
Fishing	11,173	95	19,703	4,027	(D)
Other ⁸	0	0	0	0	0
Mining	1,391	(D)	15,025	(D)	2,615
Metal mining	0	0	(L)	0	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	1,636	0
Nonmetallic minerals, except fuels	1,391	(D)	15,029	(D)	2,611
Construction	8,585	3,700	834,025	40,730	184,350
General building contractors	3,709	530	217,527	17,760	37,772
Heavy construction contractors	672	434	130,754	2,389	25,794
Special trade contractors	4,204	2,736	485,744	20,581	120,784
Manufacturing	34,758	44,281	1,122,385	9,249	246,134
Durable goods	25,835	(D)	742,409	8,396	130,465
Lumber and wood products	25,531	14,981	163,802	2,882	25,564
Furniture and fixtures	0	0	25,441	(D)	2,746
Stone, clay, and glass products	(D)	(D)	61,370	(D)	7,873
Primary metal industries	0	0	31,095	0	(D)
Fabricated metal products	(D)	(D)	70,527	428	9,402
Industrial machinery and equipment	0	0	232,599	(D)	16,589

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Electronic and other electric equipment	0	0	10,739	(D)	(D)
Motor vehicles and equipment	0	0	4,200	0	(D)
Other transportation equipment	257	0	126,524	(D)	(D)
Instruments and related products	0	0	4,056	(D)	5,667
Miscellaneous manufacturing industries	0	0	12,056	(D)	4,298
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	8,923	(D)	379,976	853	115,669
Food and kindred products	7,887	(D)	54,716	92	32,309
Tobacco products	0	0	0	0	0
Textile mill products	0	0	(D)	0	(D)
Apparel and other textile products	(D)	0	30,817	(D)	(D)
Paper and allied products	0	(D)	62,467	0	0
Printing and publishing	787	(D)	99,297	670	8,268
Chemicals and allied products	(D)	0	34,645	(D)	5,433
Petroleum and coal products	0	0	24,426	0	64,174
Rubber and misc. plastics products	(D)	0	73,201	(D)	2,924
Leather and leather products	0	0	(D)	0	0
Transportation and public utilities	4,381	6,817	580,964	10,334	96,643
Railroad transportation	(L)	592	18,205	0	2,425
Trucking and warehousing	2,593	4,308	165,581	867	29,008
Water transportation	(D)	0	95,843	2,054	9,098
Other transportation	(D)	1,440	61,244	1,775	12,662
Local and interurban passenger transit	(D)	(D)	9,009	(D)	(D)
Transportation by air	0	0	31,338	(D)	9,262
Pipelines, except natural gas	0	0	0	0	(D)
Transportation services	(D)	(D)	20,897	528	2,365
Communications	496	(D)	187,537	(D)	29,507
Electric, gas, and sanitary services	913	(D)	52,554	(D)	13,943
Wholesale trade	979	(D)	529,481	(D)	56,531
Retail trade	23,102	7,254	1,111,252	25,576	217,684
Building materials and garden equipment	999	(D)	71,121	3,626	15,946
General merchandise stores	(D)	(D)	105,842	(D)	16,939
Food stores	5,374	3,541	168,963	8,341	31,390
Automotive dealers and service stations	1,784	955	238,573	1,654	58,621
Apparel and accessory stores	175	(L)	38,873	(D)	6,189
Home furniture and furnishings stores	(D)	206	62,053	377	9,871
Eating and drinking places	7,763	1,907	272,668	6,894	49,505
Miscellaneous retail	3,433	461	153,159	4,312	29,223
Finance, insurance, and real estate	7,971	2,261	763,346	15,309	75,904
Depository & non-depository institutions	(D)	1,086	187,074	4,635	18,307
Other finance, insurance, & real estate	(D)	1,175	576,272	10,674	57,597
Security & commodity brokers	0	0	152,567	(D)	4,746
Insurance carriers	635	538	135,810	(D)	13,415
Insurance agents, brokers, and service	1,198	(D)	65,156	1,765	7,549
Real estate	2,046	(D)	194,792	7,744	28,967

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	(L)	27,947	471	2,920
Services	40,395	12,584	2,667,729	54,114	387,380
Hotels and other lodging places	5,696	1,123	27,049	13,666	9,568
Personal services	1,235	441	102,244	543	12,525
Private households	(D)	(D)	(D)	797	(D)
Business services	4,443	873	400,363	12,134	65,356
Auto repair, services, and parking	1,624	(D)	117,996	796	20,893
Miscellaneous repair services	892	68	47,679	(D)	13,098
Amusement and recreation services	2,705	(D)	109,482	3,470	28,783
Motion pictures	167	203	7,524	576	1,075
Health services	8,666	1,836	1,078,372	3,896	120,124
Legal services	1,246	383	145,799	927	21,357
Educational services	63	128	114,943	881	5,675
Social services	2,825	1,091	144,864	1,582	26,318
Museums, botanical, zoological gardens	81	(D)	2,326	521	(D)
Membership organizations	5,651	(D)	132,653	2,218	24,680
Engineering and management services	2,511	919	174,018	7,036	23,365
Miscellaneous services	(D)	967	(D)	(D)	10,445
Government and government enterprises	63,083	32,973	3,160,163	32,712	308,106
Federal, civilian	3,316	6,106	497,887	3,524	24,281
Military	4,651	606	1,102,216	674	5,338
State and local	55,116	26,261	1,560,060	28,514	278,487
State	11,284	1,217	412,374	2,752	52,744
Local	43,832	25,044	1,147,686	25,762	225,743

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Income by Place of Residence					
Personal income (thousands of dollars)	226,002	17,292,237	10,691,993	735,808	5,513,010
Nonfarm personal income	226,625	17,278,972	10,685,309	731,016	5,496,038
Farm income ³	-623	13,265	6,684	4,792	16,972
Population (number of persons)	9,903	609,009	418,476	40,249	208,355
Per capita personal income (dollars)	22,822	28,394	25,550	18,281	26,460
Derivation of Total Personal Income					
Earnings by place of work	74,881	9,871,642	7,873,765	372,353	3,520,402
Less: Personal cont. for social insurance ⁴	3,573	611,174	484,473	22,611	157,609
Plus: Adjustment for residence ⁵	84,594	3,683,489	-448,696	78,455	371,558
Equals: Net earnings by place of residence	155,902	12,943,957	6,940,596	428,197	3,734,351
Plus: Dividends, interest, and rent ⁶	37,677	2,512,936	1,993,945	130,976	994,386
Plus: Transfer payments	32,423	1,835,344	1,757,452	176,635	784,273
Earnings by Place of Work					
Wage and salary disbursements	58,725	8,160,501	6,379,152	272,201	2,878,743
Other labor income	9,470	881,029	699,989	33,023	295,614
Proprietors' income ⁷	6,686	830,112	794,624	67,129	346,045
Farm proprietors' income	-698	-7,825	-793	3,531	-4,816
Nonfarm proprietors' income	7,384	837,937	795,417	63,598	350,861
Earnings by Industry					
Farm earnings	-623	13,265	6,684	4,792	16,972
Nonfarm earnings	75,504	9,858,377	7,867,081	367,561	3,503,430
Private earnings	43,479	8,200,256	6,412,983	282,664	2,056,929
Ag. serv., forestry, fishing, and other ⁸	479	97,908	41,581	4,515	29,459
Agricultural services	(D)	56,777	37,311	2,028	17,033
Forestry, fishing, and other ⁸	(D)	41,131	4,270	2,487	12,426
Forestry	(D)	2,382	2,214	1,431	5,818
Fishing	89	38,749	2,056	1,056	6,608
Other ⁸	0	0	0	0	0
Mining	(D)	29,465	17,632	4,396	3,021
Metal mining	(D)	(L)	14,995	(D)	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	(D)	0	0
Nonmetallic minerals, except fuels	(D)	29,439	(D)	(D)	3,032
Construction	7,702	906,358	527,011	21,901	219,929
General building contractors	(D)	202,285	143,992	4,846	68,114
Heavy construction contractors	(D)	114,135	52,410	1,678	20,037
Special trade contractors	(D)	589,938	330,609	15,377	131,778
Manufacturing	11,617	3,218,917	956,639	94,755	172,948
Durable goods	(D)	2,914,365	773,307	92,717	82,624
Lumber and wood products	7,466	136,162	32,102	61,290	40,709
Furniture and fixtures	0	30,352	7,324	(D)	(D)
Stone, clay, and glass products	(D)	19,629	56,909	(D)	9,639
Primary metal industries	0	6,995	161,144	(D)	0
Fabricated metal products	0	72,165	53,809	(D)	12,305
Industrial machinery and equipment	861	130,567	146,793	6,522	5,826

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Electronic and other electric equipment	(D)	100,219	136,366	(D)	1,256
Motor vehicles and equipment	0	5,109	20,296	0	(D)
Other transportation equipment	0	2,115,956	52,066	(D)	(D)
Instruments and related products	0	287,584	92,589	(D)	(D)
Miscellaneous manufacturing industries	(D)	9,627	13,909	0	4,438
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	(D)	304,552	183,332	2,038	90,324
Food and kindred products	0	46,667	54,568	(D)	27,334
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	(D)	0	(D)
Apparel and other textile products	0	12,677	8,954	(D)	739
Paper and allied products	0	(D)	15,692	0	16,271
Printing and publishing	(D)	76,527	59,662	1,004	18,409
Chemicals and allied products	(D)	69,706	26,362	(D)	(D)
Petroleum and coal products	0	0	(D)	0	0
Rubber and misc. plastics products	(D)	30,610	13,436	(D)	20,895
Leather and leather products	0	(D)	3,916	0	0
Transportation and public utilities	4,314	306,742	723,993	23,364	133,259
Railroad transportation	980	11,679	47,880	3,286	1,193
Trucking and warehousing	2,672	71,907	134,766	7,640	30,102
Water transportation	0	(D)	(D)	(D)	1,397
Other transportation	(D)	62,799	(D)	1,484	16,235
Local and interurban passenger transit	0	18,199	13,718	(D)	3,768
Transportation by air	0	22,709	52,555	(D)	7,354
Pipelines, except natural gas	0	0	(D)	0	0
Transportation services	(D)	21,891	18,102	(D)	5,113
Communications	(D)	(D)	360,968	6,123	71,845
Electric, gas, and sanitary services	(D)	22,150	(D)	(D)	12,487
Wholesale trade	(D)	347,756	516,655	6,679	101,727
Retail trade	3,565	959,298	824,671	33,159	405,803
Building materials and garden equipment	265	71,489	52,663	2,322	31,544
General merchandise stores	(D)	92,766	85,230	(D)	36,646
Food stores	1,727	164,239	141,947	9,037	58,837
Automotive dealers and service stations	(D)	209,863	144,304	4,935	52,054
Apparel and accessory stores	0	30,153	23,722	(D)	4,650
Home furniture and furnishings stores	(L)	56,721	59,102	745	108,211
Eating and drinking places	1,019	213,347	182,624	7,622	72,643
Miscellaneous retail	(D)	120,720	135,079	4,210	41,218
Finance, insurance, and real estate	749	555,906	606,212	8,862	151,872
Depository & non-depository institutions	(D)	140,535	200,867	(D)	52,398
Other finance, insurance, & real estate	(D)	415,371	405,345	(D)	99,474
Security & commodity brokers	0	29,319	87,363	(D)	13,951
Insurance carriers	(D)	172,873	106,582	486	13,624
Insurance agents, brokers, and service	(D)	46,548	54,451	1,796	14,144
Real estate	186	158,911	124,570	3,171	54,291

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(L)	7,720	32,379	105	3,464
Services	12,036	1,777,906	2,198,589	85,033	838,911
Hotels and other lodging places	(D)	18,511	68,729	2,101	10,687
Personal services	315	82,097	65,414	2,914	27,023
Private households	103	(D)	(D)	(D)	(D)
Business services	713	353,114	353,799	3,899	155,698
Auto repair, services, and parking	(D)	89,737	73,562	4,527	31,352
Miscellaneous repair services	(D)	28,805	29,003	1,598	15,225
Amusement and recreation services	(D)	75,499	50,331	8,229	29,063
Motion pictures	(L)	9,083	5,947	292	1,593
Health services	(D)	601,021	944,511	34,820	328,788
Legal services	(D)	48,519	128,640	1,698	29,663
Educational services	(L)	29,148	90,286	714	39,067
Social services	433	90,092	100,067	4,878	36,727
Museums, botanical, zoological gardens	(D)	(D)	(D)	(D)	491
Membership organizations	1,434	114,314	79,266	(D)	65,910
Engineering and management services	(D)	208,238	164,745	2,789	56,522
Miscellaneous services	(D)	18,417	32,021	2,664	(D)
Government and government enterprises	32,025	1,658,121	1,454,098	84,897	1,446,501
Federal, civilian	13,191	140,139	275,124	20,958	66,767
Military	514	293,361	196,734	2,095	13,624
State and local	18,320	1,224,621	982,240	61,844	1,366,110
State	1,829	200,146	334,422	13,589	1,035,951
Local	16,491	1,024,475	647,818	48,255	330,159

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Income by Place of Residence					
Personal income (thousands of dollars)	83,642	1,238,550	3,876,078	823,420	4,906,149
Nonfarm personal income	83,866	1,177,082	3,823,281	799,799	4,537,275
Farm income ³	-224	61,468	52,797	23,621	368,874
Population (number of persons)	3,836	55,292	167,553	40,656	222,784
Per capita personal income (dollars)	21,804	22,400	23,133	20,253	22,022
Derivation of Total Personal Income					
Earnings by place of work	31,820	867,916	2,526,038	592,438	3,122,531
Less: Personal cont. for social insurance ⁴	2,061	46,945	156,143	17,847	168,133
Plus: Adjustment for residence ⁵	14,119	-61,537	46,004	-44,017	90,243
Equals: Net earnings by place of residence	43,878	759,434	2,415,899	530,574	3,044,641
Plus: Dividends, interest, and rent ⁶	21,476	253,227	857,041	169,142	886,355
Plus: Transfer payments	18,288	225,889	603,138	123,704	975,153
Earnings by Place of Work					
Wage and salary disbursements	22,832	683,148	1,980,237	466,044	2,436,346
Other labor income	2,635	76,154	200,357	67,390	236,619
Proprietors' income ⁷	6,353	108,614	345,444	59,004	449,566
Farm proprietors' income	-348	17,240	12,008	14,904	108,094
Nonfarm proprietors' income	6,701	91,374	333,436	44,100	341,472
Earnings by Industry					
Farm earnings	-224	61,468	52,797	23,621	368,874
Nonfarm earnings	32,044	806,448	2,473,241	568,817	2,753,657
Private earnings	24,196	608,966	2,088,304	226,360	2,205,346
Ag. serv., forestry, fishing, and other ⁸	2,427	(D)	35,575	9,382	96,140
Agricultural services	(D)	15,823	14,137	(D)	(D)
Forestry, fishing, and other ⁸	(D)	(D)	21,438	(D)	(D)
Forestry	(D)	(D)	1,740	(D)	(D)
Fishing	1,837	1,419	19,698	784	3,968
Other ⁸	0	0	0	0	0
Mining	0	279	6,816	(D)	(D)
Metal mining	0	(L)	(D)	0	165
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	(D)	0	0
Nonmetallic minerals, except fuels	0	278	6,630	(D)	(D)
Construction	(D)	40,226	302,111	(D)	155,136
General building contractors	433	(D)	68,557	3,611	47,714
Heavy construction contractors	(D)	(D)	69,544	(D)	9,668
Special trade contractors	702	27,685	164,010	10,609	97,754
Manufacturing	10,722	155,554	420,480	29,038	393,773
Durable goods	(D)	35,705	212,374	27,307	187,019
Lumber and wood products	9,609	1,629	60,208	(D)	69,043
Furniture and fixtures	0	(D)	237	(D)	(D)
Stone, clay, and glass products	(D)	(D)	5,420	(D)	7,029
Primary metal industries	0	(D)	(D)	0	(D)
Fabricated metal products	0	1,166	13,829	0	32,473
Industrial machinery and equipment	(D)	29,578	20,000	965	26,750

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Electronic and other electric equipment	0	0	13,336	(D)	(D)
Motor vehicles and equipment	0	0	(D)	0	(D)
Other transportation equipment	(D)	0	(D)	0	(D)
Instruments and related products	0	(D)	6,907	4,816	(D)
Miscellaneous manufacturing industries	0	(D)	1,971	0	13,506
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	(D)	119,849	208,106	1,731	206,754
Food and kindred products	0	61,564	39,314	(D)	124,267
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	9,243	0	(D)
Apparel and other textile products	0	189	5,374	(D)	(D)
Paper and allied products	0	(D)	(D)	0	32,486
Printing and publishing	(D)	11,065	17,898	558	17,092
Chemicals and allied products	0	(D)	(D)	(D)	5,660
Petroleum and coal products	0	0	70,137	(D)	0
Rubber and misc. plastics products	(D)	1,074	12,432	0	26,218
Leather and leather products	0	0	0	0	0
Transportation and public utilities	2,588	(D)	136,262	18,126	138,301
Railroad transportation	0	(D)	3,453	62	2,905
Trucking and warehousing	1,631	7,225	47,465	7,236	67,933
Water transportation	0	0	(D)	0	(L)
Other transportation	(L)	(D)	(D)	3,235	15,150
Local and interurban passenger transit	0	(D)	4,164	(D)	3,053
Transportation by air	0	2,949	10,948	2,206	6,453
Pipelines, except natural gas	0	0	(D)	0	0
Transportation services	(L)	732	12,817	(D)	5,644
Communications	(D)	26,563	31,504	2,578	29,087
Electric, gas, and sanitary services	(D)	6,676	19,508	5,015	23,216
Wholesale trade	(D)	33,714	141,830	35,777	232,024
Retail trade	1,994	71,176	290,431	32,877	301,698
Building materials and garden equipment	149	4,413	19,745	1,591	25,094
General merchandise stores	(L)	7,728	30,389	(D)	38,639
Food stores	(D)	13,352	62,849	6,486	60,039
Automotive dealers and service stations	259	12,922	46,326	6,863	59,359
Apparel and accessory stores	(D)	990	8,967	(D)	7,571
Home furniture and furnishings stores	(L)	2,725	16,299	728	13,648
Eating and drinking places	654	16,880	67,681	9,558	62,191
Miscellaneous retail	410	12,166	38,175	5,853	35,157
Finance, insurance, and real estate	854	34,662	145,233	15,002	(D)
Depository & non-depository institutions	(D)	19,963	36,444	(D)	33,606
Other finance, insurance, & real estate	(D)	14,699	108,789	(D)	(D)
Security & commodity brokers	0	(D)	16,517	178	11,923
Insurance carriers	(D)	3,177	8,674	(D)	6,823
Insurance agents, brokers, and service	(D)	3,550	15,338	1,551	18,881
Real estate	376	6,814	64,944	4,320	36,592

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 2000

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(L)	(D)	3,316	497	(D)
Services	3,993	209,295	609,566	69,481	774,179
Hotels and other lodging places	(D)	2,975	20,631	2,408	16,277
Personal services	(D)	3,034	21,526	4,590	25,037
Private households	(D)	1,396	(D)	970	(D)
Business services	204	18,795	83,958	4,313	64,417
Auto repair, services, and parking	(L)	4,714	25,554	2,848	25,592
Miscellaneous repair services	(D)	1,232	13,469	701	11,336
Amusement and recreation services	(D)	2,929	23,582	539	24,729
Motion pictures	(D)	(D)	1,644	354	2,615
Health services	(D)	100,900	202,693	29,538	351,017
Legal services	(D)	7,284	29,973	3,790	39,923
Educational services	(L)	(D)	13,357	995	22,358
Social services	250	9,131	32,910	4,129	56,687
Museums, botanical, zoological gardens	(D)	(D)	(D)	0	598
Membership organizations	(D)	9,867	55,843	5,172	69,291
Engineering and management services	(D)	7,004	74,100	6,424	37,967
Miscellaneous services	322	(D)	6,725	2,710	(D)
Government and government enterprises	7,848	197,482	384,937	342,457	548,311
Federal, civilian	631	57,630	60,161	16,441	83,090
Military	200	3,135	9,445	3,240	14,696
State and local	7,017	136,717	315,331	322,776	450,525
State	481	62,767	90,952	266,091	110,653
Local	6,536	73,950	224,379	56,685	339,872

Table 4.4

Per Capita Personal Income

	1996	1997	1998	1999	2000	Change 1996-2000
U.S.	24,270	25,412	26,893	27,843	29,469	21.4%
Washington	25,015	26,469	28,285	29,819	31,230	24.8%
Bellingham, WA (MSA)	20,467	21,095	22,048	22,525	23,133	13.0%
Bremerton, WA (PMSA)	21,605	22,778	23,777	24,568	25,443	17.8%
Olympia, WA (PMSA)	22,587	23,803	25,018	25,711	26,460	17.1%
Portland-Vancouver, OR-WA (PMSA)	26,157	27,555	28,700	29,672	31,620	20.9%
Richland-Kennewick-Pasco, WA (MSA)	21,322	21,626	22,279	22,582	23,872	12.0%
Seattle-Bellevue-Everett, WA (PMSA)	30,775	32,766	35,880	38,858	40,686	32.2%
Seattle-Tacoma-Bremerton, WA (CMSA)	27,899	29,751	32,207	34,412	35,877	28.6%
Spokane, WA (MSA)	21,223	22,311	23,336	24,015	25,550	20.4%
Tacoma, WA (PMSA)	21,725	23,413	24,371	24,859	25,587	17.8%
Yakima, WA (MSA)	19,431	19,953	20,709	20,730	22,022	13.3%
Washington (Urban Counties)*	26,906	28,667	30,848	32,827	34,334	27.6%
Washington (Rural Counties)	19,918	20,502	21,285	21,584	22,727	14.1%
Adams	19,223	19,012	19,986	19,414	20,320	5.7%
Asotin	19,485	20,822	21,500	22,669	23,751	21.9%
Benton#	22,491	22,920	23,766	24,225	25,624	13.9%
Chelan	21,941	22,564	23,325	23,280	24,359	11.0%
Clallam	20,826	22,211	22,883	23,344	24,326	16.8%
Clark*	23,644	25,253	25,954	27,159	29,085	23.0%
Columbia	22,542	19,428	20,964	21,017	24,412	8.3%
Cowlitz	20,189	20,715	21,427	22,364	23,454	16.2%
Douglas	18,804	19,190	19,571	19,890	21,409	13.9%
Ferry	14,935	15,570	15,823	16,268	16,597	11.1%
Franklin#	17,854	17,803	17,953	17,807	18,813	5.4%
Garfield	22,114	19,125	20,483	18,129	21,903	-1.0%
Grant	18,729	18,990	19,531	18,479	20,111	7.4%
Grays Harbor	18,586	19,354	20,250	20,755	21,908	17.9%
Island*	22,467	23,807	25,190	25,976	27,609	22.9%
Jefferson	22,202	23,622	25,300	26,165	27,095	22.0%
King*	33,316	35,382	39,335	43,201	45,536	36.7%
Kitsap*	21,605	22,778	23,777	24,568	25,443	17.8%
Kittitas	18,315	18,781	19,738	20,164	21,196	15.7%
Klickitat	19,485	19,859	20,281	20,279	21,360	9.6%
Lewis	18,902	19,653	19,933	20,674	21,316	12.8%
Lincoln	21,568	21,165	20,622	19,741	21,979	1.9%
Mason	18,269	19,000	20,062	20,494	21,210	16.1%
Okanogan	18,626	18,758	19,382	19,323	20,117	8.0%
Pacific	18,192	19,002	19,669	19,815	21,042	15.7%
Pend Oreille	16,712	17,473	17,667	18,310	19,006	13.7%
Pierce*	21,725	23,413	24,371	24,859	25,587	17.8%
San Juan	30,458	32,817	35,110	35,400	35,773	17.5%
Skagit	22,184	23,160	24,403	25,265	26,414	19.1%
Skamania	19,550	20,159	20,735	21,216	22,822	16.7%
Snohomish*	24,088	26,098	27,066	27,815	28,394	17.9%
Spokane*	21,223	22,311	23,336	24,015	25,550	20.4%
Stevens	15,578	16,407	17,231	17,562	18,281	17.4%
Thurston*	22,587	23,803	25,018	25,711	26,460	17.1%
Wahkiakum	18,237	19,289	20,325	21,073	21,804	19.6%
Walla Walla	19,507	19,837	20,776	20,913	22,400	14.8%
Whatcom#	20,467	21,095	22,048	22,525	23,133	13.0%
Whitman	17,581	17,561	17,819	17,685	20,253	15.2%
Yakima#	19,431	19,953	20,709	20,730	22,022	13.3%

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.5

2000 Per Capita Personal Income and Median Home Prices

Ordered by 2000 Per Capita Personal Income Rank

	Per Capita Personal Income	Rank	Median Home Price	Rank
King*	\$45,536	1	249,900	2
San Juan	\$35,773	2	250,000	1
Clark*	\$29,085	3	\$147,000	9
Snohomish*	\$28,394	4	196,400	3
Island*	\$27,609	5	\$155,100	5
Jefferson	\$27,095	6	\$176,400	4
Thurston*	\$26,460	7	\$137,900	11
Skagit	\$26,414	8	\$151,200	7
Benton#	\$25,624	9	\$119,400	15
Pierce*	\$25,587	10	\$151,800	6
Spokane*	\$25,550	11	\$103,500	22
Kitsap*	\$25,443	12	\$149,400	8
Columbia	\$24,412	13	N/A	N/A
Chelan	\$24,359	14	\$129,000	12
Clallam	\$24,326	15	\$117,800	17
Asotin	\$23,751	16	\$92,400	25
Cowlitz	\$23,454	17	\$110,100	19
Whatcom#	\$23,133	18	\$146,500	10
Skamania	\$22,822	19	N/A	N/A
Walla Walla	\$22,400	20	\$96,600	24
Yakima#	\$22,022	21	\$108,000	20
Lincoln	\$21,979	22	N/A	N/A
Grays Harbor	\$21,908	23	\$81,400	33
Garfield	\$21,903	24	\$92,400	25
Wahkiakum	\$21,804	25	\$98,200	23
Douglas	\$21,409	26	\$129,000	12
Klickitat	\$21,360	27	N/A	N/A
Lewis	\$21,316	28	\$89,000	29
Mason	\$21,210	29	\$104,800	21
Kittitas	\$21,196	30	\$128,900	14
Pacific	\$21,042	31	\$69,500	34
Adams	\$20,320	32	\$90,000	27
Whitman	\$20,253	33	\$117,000	18
Okanogan	\$20,117	34	N/A	N/A
Grant	\$20,111	35	\$90,000	27
Pend Oreille	\$19,006	36	\$88,700	30
Franklin#	\$18,813	37	\$119,400	15
Stevens	\$18,281	38	\$88,700	30
Ferry	\$16,597	39	\$88,700	30
Washington	\$31,230		\$176,300	

Source: U.S. Department of Commerce, Bureau of Economic Analysis; Washington Center for Real Estate Research.

Footnotes for Tables 4.1, 4.4 and 4.5

Metropolitan area (defined by the US Office of Management and Budget: The general concept of a metropolitan area is that of a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. Metropolitan areas comprise one or more entire counties, except in New England, where cities and towns are the basic geographic units.)

* Urban area (Laws of Washington Chapter 311, counties with greater than 100 persons per square mile. All urban areas are also metropolitan areas.)

NA Data not available for this year.

Footnotes for Tables 4.2 and 4.3

1. The employment estimates used to compute the average wage are a job, not person, count.
People holding more than one job are counted in the employment estimates for each job they hold.

2. Industries are classified according to the 1987 Standard Industrial Classification (SIC.)

3. Farm income consists of proprietors' income; the cash wages, pay-in-kind, and other labor income of hired farm workers; and the salaries of officers of corporate farms.

4. Personal contributions for social insurance are included in earnings by type and industry but they are excluded from personal income.

5. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.

6. Rental income of persons includes the capital consumption adjustment.

7. Proprietors income includes the inventory valuation adjustment and capital consumption adjustment.

8. "Other" consists of wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the United States.

E The estimate shown here constitutes the major portion of the true estimate.

(D) Not shown to avoid disclosure of confidential information, but estimates for this item are included in the totals.

(L) Less than \$50,000, but the estimates for this item are included in the totals.

(N) Data not available for this year.

Detail Components of the Washington Economic Forecast

Calendar Years

Table A1.1
U.S. Economic Forecast Summary
 Forecast 2002 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	8,508.9	8,856.5	9,224.0	9,333.8	9,569.2	9,914.6	10,304.6	10,615.9
% Ch	4.3	4.1	4.1	1.2	2.5	3.6	3.9	3.0
Real Consumption	5683.7	5968.4	6257.8	6450.3	6672.7	6903.3	7154.5	7370.6
% Ch	4.8	5.0	4.8	3.1	3.4	3.5	3.6	3.0
Real Nonresidential Fixed Investment	1,135.9	1,228.6	1,350.7	1,308.0	1,242.1	1,348.5	1,479.7	1,562.8
% Ch	12.5	8.2	9.9	-3.2	-5.0	8.6	9.7	5.6
Real Residential Fixed Investment	345.1	368.3	371.4	376.9	386.6	382.4	387.6	397.5
% Ch	8.0	6.7	0.8	1.5	2.6	-1.1	1.4	2.5
Real Personal Income	7,207.7	7,426.9	7,737.3	7,965.1	8,134.0	8,415.5	8,720.0	8,962.7
% Ch	5.9	3.0	4.2	2.9	2.1	3.5	3.6	2.8
Real Per Capita Income (\$/Person)	26,614	27,180	28,065	28,633	28,979	29,718	30,528	31,110
% Ch	5.0	2.1	3.3	2.0	1.2	2.6	2.7	1.9
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.030	1.047	1.075	1.095	1.108	1.134	1.162	1.190
% Ch	1.1	1.6	2.7	1.9	1.2	2.3	2.4	2.4
U.S. Consumer Price Index (1982-84=1.0)	1.630	1.666	1.722	1.771	1.800	1.847	1.896	1.945
% Ch	1.5	2.2	3.4	2.8	1.7	2.6	2.6	2.6
Employment Cost Index (June 1989=1.0)	1.356	1.403	1.460	1.514	1.565	1.616	1.672	1.728
% Ch	4.0	3.4	4.1	3.7	3.4	3.3	3.5	3.4
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	8,781.5	9,268.6	9,872.9	10,208.1	10,596.9	11,236.6	11,952.5	12,600.4
% Ch	5.6	5.5	6.5	3.4	3.8	6.0	6.4	5.4
Personal Income	7,426.0	7,777.3	8,319.2	8,723.5	9,014.3	9,545.6	10,132.8	10,665.5
% Ch	7.0	4.7	7.0	4.9	3.3	5.9	6.2	5.3
Employment (Millions)								
U.S. Civilian Labor Force	137.7	139.4	140.9	141.8	142.6	144.7	147.0	149.0
Total U.S. Employment	131.5	133.5	135.2	135.0	134.1	136.4	139.4	141.6
Unemployment Rate (%)	4.51	4.22	4.02	4.79	5.96	5.74	5.20	5.02
Wage and Salary Employment	125.84	128.90	131.76	132.23	131.74	134.22	137.25	139.45
% Ch	2.6	2.4	2.2	0.4	-0.4	1.9	2.3	1.6
Manufacturing	18.81	18.55	18.47	17.70	16.88	17.01	17.11	17.32
% Ch	0.7	-1.3	-0.5	-4.2	-4.6	0.8	0.6	1.2
Durable Manufacturing	11.21	11.11	11.14	10.64	10.02	10.03	10.07	10.22
% Ch	1.8	-0.8	0.2	-4.5	-5.8	0.1	0.4	1.5
Nondurable Manufacturing	7.60	7.44	7.33	7.06	6.86	6.98	7.05	7.10
% Ch	-0.8	-2.1	-1.5	-3.7	-2.9	1.7	1.0	0.8
Nonmanufacturing	107.04	110.35	113.29	114.53	114.86	117.21	120.14	122.12
% Ch	2.9	3.1	2.7	1.1	0.3	2.0	2.5	1.7
Services	37.53	39.05	40.46	41.03	41.45	42.91	44.51	45.68
% Ch	4.1	4.1	3.6	1.4	1.0	3.5	3.7	2.6
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.3	20.8	21.4	21.9	21.8	21.9	22.1	22.4
Auto Sales (Millions)	8.1	8.7	8.9	8.4	8.1	8.1	7.9	7.9
% Ch	-1.6	6.8	1.8	-4.8	-4.4	0.4	-1.7	-0.8
Housing Starts (Millions)	1.621	1.647	1.575	1.608	1.602	1.573	1.614	1.646
% Ch	9.9	1.6	-4.4	2.1	-0.3	-1.8	2.6	2.0
Federal Budget Surplus (Billions)	43.8	119.2	218.6	118.9	-74.3	-91.3	-69.0	-31.6
Net Exports (Billions)	-151.7	-250.8	-364.0	-329.8	-400.3	-445.9	-480.0	-499.6
3-Month Treasury Bill Rate (%)	4.78	4.64	5.82	3.39	1.82	3.68	5.09	5.10
30-Year U.S. Govt. Bond Rate (%)	5.58	5.86	5.94	5.49	5.74	6.22	6.30	6.17
Bond Index of 20 G.O. Munis. (%)	5.09	5.43	5.70	5.15	5.29	5.34	5.39	5.40
Mortgage Rate (%)	6.95	7.43	8.06	6.97	7.05	7.63	7.67	7.47

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2002 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,102.5	9,229.4	9,260.1	9,303.9	9,334.5	9,341.7	9,310.4	9,348.6
% Ch	2.3	5.7	1.3	1.9	1.3	0.3	-1.3	1.7
Real Consumption	6,171.7	6,226.3	6,292.1	6,341.1	6,388.5	6,428.4	6,443.9	6,540.3
% Ch	5.9	3.6	4.3	3.1	3.0	2.5	1.0	6.1
Real Nonresidential Fixed Investment	1,309.4	1,347.7	1,371.1	1,374.5	1,373.9	1,320.9	1,292.0	1,245.0
% Ch	15.8	12.2	7.1	1.0	-0.2	-14.6	-8.5	-13.8
Real Residential Fixed Investment	377.3	376.5	366.3	365.3	372.9	378.3	380.5	376.0
% Ch	8.5	-0.8	-10.4	-1.1	8.5	5.9	2.4	-4.6
Real Personal Income	7,599.1	7,715.5	7,772.2	7,862.3	7,910.8	7,952.0	8,009.3	7,988.3
% Ch	4.4	6.3	3.0	4.7	2.5	2.1	2.9	-1.0
Real Per Capita Income (\$/Person)	27,657	28,019	28,161	28,423	28,534	28,618	28,759	28,620
% Ch	3.5	5.3	2.0	3.8	1.6	1.2	2.0	-1.9
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.066	1.072	1.078	1.084	1.092	1.096	1.095	1.098
% Ch	4.0	2.1	2.4	1.9	3.2	1.3	-0.2	0.8
U.S. Consumer Price Index (1982-84=1.0)	1.701	1.715	1.730	1.742	1.759	1.773	1.776	1.775
% Ch	3.9	3.3	3.5	3.0	3.9	3.1	0.8	-0.3
Employment Cost Index (June 1989=1.0)	1.439	1.454	1.467	1.479	1.494	1.509	1.520	1.534
% Ch	4.6	4.2	3.6	3.3	4.1	4.1	2.9	3.7
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	9,668.7	9,857.6	9,937.5	10,027.9	10,141.7	10,202.6	10,224.9	10,263.3
% Ch	6.3	8.0	3.3	3.7	4.6	2.4	0.9	1.5
Personal Income	8,104.4	8,271.0	8,381.5	8,519.6	8,640.2	8,714.6	8,771.8	8,767.2
% Ch	8.6	8.5	5.5	6.8	5.8	3.5	2.7	-0.2
Employment (Millions)								
U.S. Civilian Labor Force	140.7	140.9	140.7	141.3	141.7	141.5	141.7	142.3
Total U.S. Employment	135.0	135.2	135.0	135.6	135.8	135.2	134.8	134.3
Unemployment Rate (%)	4.03	4.00	4.07	3.97	4.23	4.50	4.83	5.60
Wage and Salary Employment	130.98	131.85	131.93	132.26	132.56	132.48	132.36	131.51
% Ch	2.7	2.7	0.2	1.0	0.9	-0.2	-0.4	-2.5
Manufacturing	18.50	18.51	18.49	18.38	18.19	17.88	17.56	17.17
% Ch	0.2	0.1	-0.5	-2.3	-4.1	-6.6	-7.1	-8.4
Durable Manufacturing	11.12	11.15	11.17	11.12	10.99	10.78	10.54	10.25
% Ch	1.0	1.0	0.8	-1.9	-4.5	-7.4	-8.8	-10.3
Nondurable Manufacturing	7.38	7.36	7.32	7.26	7.20	7.10	7.02	6.92
% Ch	-1.1	-1.1	-2.5	-3.0	-3.5	-5.3	-4.5	-5.6
Nonmanufacturing	112.48	113.34	113.44	113.89	114.37	114.60	114.80	114.34
% Ch	3.1	3.1	0.3	1.6	1.7	0.8	0.7	-1.6
Services	40.03	40.36	40.61	40.84	41.03	41.05	41.10	40.95
% Ch	3.8	3.3	2.6	2.2	1.9	0.3	0.5	-1.5
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	21.1	21.2	21.5	21.7	21.9	21.9	21.4	22.3
Auto Sales (Millions)	9.4	8.9	8.8	8.3	8.6	8.4	7.9	8.7
% Ch	21.0	-17.5	-5.2	-18.8	14.3	-9.8	-21.9	49.4
Housing Starts (Millions)	1.668	1.586	1.505	1.539	1.627	1.623	1.601	1.579
% Ch	3.3	-18.3	-18.9	9.3	24.8	-0.9	-5.3	-5.5
Federal Budget Surplus (Billions)	212.8	209.1	229.9	222.5	205.3	186.7	-13.6	97.4
Net Exports (Billions)	-333.9	-350.8	-380.6	-390.6	-363.8	-347.4	-294.4	-313.5
3-Month Treasury Bill Rate (%)	5.52	5.71	6.02	6.02	4.82	3.66	3.17	1.91
30-Year U.S. Govt. Bond Rate (%)	6.30	5.97	5.79	5.69	5.45	5.69	5.53	5.30
Bond Index of 20 G.O. Munis. (%)	5.96	5.85	5.56	5.45	5.14	5.26	5.10	5.11
Mortgage Rate (%)	8.26	8.32	8.03	7.64	7.01	7.13	6.97	6.78

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2002 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,482.1	9,531.9	9,582.9	9,679.8	9,773.7	9,871.8	9,955.3	10,057.7
% Ch	5.8	2.1	2.2	4.1	3.9	4.1	3.4	4.2
Real Consumption	6,597.5	6,648.6	6,691.6	6,753.2	6,816.2	6,877.7	6,929.7	6,989.5
% Ch	3.5	3.1	2.6	3.7	3.8	3.7	3.1	3.5
Real Nonresidential Fixed Investment	1,226.8	1,233.3	1,241.9	1,266.3	1,295.0	1,330.7	1,366.3	1,401.9
% Ch	-5.7	2.1	2.8	8.1	9.4	11.5	11.1	10.8
Real Residential Fixed Investment	390.0	389.4	385.2	381.6	381.1	382.4	382.6	383.5
% Ch	15.7	-0.6	-4.3	-3.7	-0.5	1.4	0.2	1.0
Real Personal Income	8,076.7	8,086.5	8,151.4	8,221.4	8,306.4	8,381.1	8,454.3	8,520.1
% Ch	4.5	0.5	3.2	3.5	4.2	3.6	3.5	3.2
Real Per Capita Income (\$/Person)	28,871	28,842	29,009	29,193	29,430	29,629	29,823	29,990
% Ch	3.6	-0.4	2.3	2.6	3.3	2.7	2.6	2.3
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.099	1.106	1.110	1.117	1.124	1.131	1.137	1.144
% Ch	0.6	2.6	1.6	2.3	2.8	2.3	2.2	2.5
U.S. Consumer Price Index (1982-84=1.0)	1.781	1.796	1.806	1.817	1.830	1.842	1.853	1.865
% Ch	1.4	3.5	2.2	2.6	2.9	2.5	2.4	2.7
Employment Cost Index (June 1989=1.0)	1.548	1.559	1.571	1.582	1.596	1.609	1.623	1.637
% Ch	3.7	3.0	3.0	2.7	3.5	3.3	3.7	3.4
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	10,431.3	10,529.6	10,628.2	10,798.5	10,985.0	11,157.8	11,311.0	11,492.5
% Ch	6.7	3.8	3.8	6.6	7.1	6.4	5.6	6.6
Personal Income	8,877.9	8,945.2	9,052.1	9,182.0	9,340.3	9,478.9	9,613.7	9,749.3
% Ch	5.1	3.1	4.9	5.9	7.1	6.1	5.8	5.8
Employment (Millions)								
U.S. Civilian Labor Force	141.9	142.6	142.8	143.3	143.8	144.4	145.0	145.6
Total U.S. Employment	133.9	133.9	134.1	134.7	135.3	136.0	136.7	137.6
Unemployment Rate (%)	5.60	6.10	6.10	6.03	5.90	5.83	5.70	5.53
Wage and Salary Employment	131.20	131.35	131.85	132.56	133.28	133.83	134.41	135.36
% Ch	-0.9	0.5	1.5	2.2	2.2	1.7	1.7	2.8
Manufacturing	16.87	16.86	16.87	16.91	16.96	16.98	17.03	17.06
% Ch	-6.8	-0.4	0.5	0.9	1.1	0.6	1.0	0.9
Durable Manufacturing	10.02	10.03	10.02	10.02	10.03	10.02	10.03	10.05
% Ch	-8.9	0.3	-0.2	0.2	0.1	-0.3	0.5	0.8
Nondurable Manufacturing	6.86	6.83	6.86	6.89	6.93	6.97	7.00	7.01
% Ch	-3.7	-1.5	1.5	2.0	2.5	2.0	1.8	1.0
Nonmanufacturing	114.33	114.49	114.98	115.65	116.32	116.85	117.38	118.29
% Ch	-0.0	0.6	1.7	2.3	2.4	1.8	1.8	3.1
Services	41.01	41.17	41.62	42.01	42.39	42.70	43.05	43.51
% Ch	0.6	1.7	4.4	3.8	3.7	3.0	3.3	4.4
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	21.9	21.9	21.8	21.8	21.8	21.9	21.9	21.9
Auto Sales (Millions)	7.9	8.1	7.9	8.2	8.2	8.2	8.0	8.0
% Ch	-32.5	11.7	-10.2	14.9	-2.2	1.3	-10.6	2.1
Housing Starts (Millions)	1.715	1.570	1.566	1.558	1.576	1.577	1.571	1.568
% Ch	39.2	-29.8	-0.9	-2.2	4.9	0.1	-1.5	-0.7
Federal Budget Surplus (Billions)	-37.2	-64.9	-97.7	-97.3	-93.9	-100.9	-91.3	-79.0
Net Exports (Billions)	-342.3	-402.5	-426.8	-429.7	-428.4	-442.5	-455.3	-457.4
3-Month Treasury Bill Rate (%)	1.72	1.60	1.74	2.24	2.67	3.40	4.09	4.57
30-Year U.S. Govt. Bond Rate (%)	5.52	5.59	5.84	6.03	6.05	6.16	6.32	6.37
Bond Index of 20 G.O. Munis. (%)	5.18	5.31	5.41	5.24	5.16	5.26	5.47	5.49
Mortgage Rate (%)	6.97	6.94	7.04	7.27	7.43	7.54	7.73	7.82

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2002 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	10,171.5	10,268.0	10,346.7	10,432.2	10,514.3	10,581.7	10,647.1	10,720.5
% Ch	4.6	3.9	3.1	3.3	3.2	2.6	2.5	2.8
Real Consumption	7,059.4	7,129.9	7,186.6	7,242.0	7,295.7	7,350.4	7,396.2	7,440.2
% Ch	4.1	4.1	3.2	3.1	3.0	3.0	2.5	2.4
Real Nonresidential Fixed Investment	1,438.5	1,470.7	1,494.9	1,514.9	1,537.1	1,553.7	1,571.8	1,588.5
% Ch	10.9	9.3	6.7	5.4	6.0	4.4	4.8	4.3
Real Residential Fixed Investment	383.6	385.1	388.0	393.6	397.0	398.3	397.3	397.2
% Ch	0.0	1.6	3.1	5.9	3.5	1.2	-1.0	-0.1
Real Personal Income	8,614.8	8,689.1	8,756.0	8,820.0	8,881.7	8,939.1	8,988.3	9,041.5
% Ch	4.5	3.5	3.1	3.0	2.8	2.6	2.2	2.4
Real Per Capita Income (\$/Person)	30,258	30,453	30,621	30,779	30,928	31,062	31,167	31,285
% Ch	3.6	2.6	2.2	2.1	2.0	1.7	1.4	1.5
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.151	1.158	1.166	1.173	1.179	1.187	1.194	1.200
% Ch	2.4	2.5	2.6	2.4	2.3	2.4	2.4	2.2
U.S. Consumer Price Index (1982-84=1.0)	1.877	1.889	1.902	1.914	1.926	1.939	1.951	1.963
% Ch	2.6	2.7	2.7	2.6	2.5	2.6	2.6	2.4
Employment Cost Index (June 1989=1.0)	1.651	1.665	1.679	1.694	1.708	1.722	1.735	1.749
% Ch	3.5	3.5	3.5	3.5	3.4	3.2	3.1	3.3
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	11,693.7	11,873.9	12,037.3	12,205.2	12,375.7	12,525.9	12,673.9	12,826.3
% Ch	7.2	6.3	5.6	5.7	5.7	4.9	4.8	4.9
Personal Income	9,916.9	10,065.1	10,206.6	10,342.6	10,475.5	10,606.4	10,728.4	10,851.8
% Ch	7.1	6.1	5.7	5.4	5.2	5.1	4.7	4.7
Employment (Millions)								
U.S. Civilian Labor Force	146.2	146.7	147.3	147.8	148.3	148.8	149.3	149.8
Total U.S. Employment	138.3	139.0	139.6	140.4	140.9	141.3	141.8	142.2
Unemployment Rate (%)	5.37	5.25	5.17	5.00	5.00	5.03	5.03	5.04
Wage and Salary Employment								
Wage and Salary Employment	136.08	136.94	137.62	138.37	138.88	139.25	139.63	140.02
% Ch	2.2	2.6	2.0	2.2	1.5	1.0	1.1	1.1
Manufacturing	17.08	17.09	17.11	17.19	17.24	17.30	17.35	17.40
% Ch	0.3	0.3	0.4	1.9	1.3	1.3	1.2	1.1
Durable Manufacturing	10.05	10.05	10.06	10.11	10.15	10.20	10.24	10.29
% Ch	0.1	0.1	0.2	2.2	1.6	1.7	1.9	1.7
Nondurable Manufacturing	7.02	7.04	7.05	7.07	7.09	7.10	7.10	7.11
% Ch	0.5	0.7	0.7	1.5	0.9	0.6	0.2	0.1
Nonmanufacturing	119.00	119.85	120.51	121.18	121.64	121.95	122.28	122.63
% Ch	2.4	2.9	2.2	2.3	1.5	1.0	1.1	1.1
Services	43.90	44.34	44.72	45.09	45.35	45.55	45.78	46.02
% Ch	3.6	4.1	3.5	3.3	2.3	1.7	2.0	2.1
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	22.0	22.1	22.2	22.2	22.3	22.4	22.4	22.5
Auto Sales (Millions)	8.0	8.0	8.1	7.7	7.7	7.9	8.0	7.9
% Ch	0.7	0.1	1.2	-17.0	2.8	10.5	3.6	-6.9
Housing Starts (Millions)	1.568	1.598	1.632	1.659	1.669	1.652	1.634	1.631
% Ch	-0.1	8.0	8.6	7.0	2.4	-4.1	-4.3	-0.8
Federal Budget Surplus (Billions)	-88.7	-83.7	-75.4	-28.2	-35.8	-35.0	-29.8	-25.8
Net Exports (Billions)	-461.1	-478.1	-489.3	-491.4	-493.0	-502.2	-505.3	-497.8
3-Month Treasury Bill Rate (%)	5.05	5.08	5.10	5.13	5.11	5.10	5.10	5.10
30-Year U.S. Govt. Bond Rate (%)	6.44	6.32	6.25	6.19	6.15	6.16	6.18	6.18
Bond Index of 20 G.O. Munis. (%)	5.56	5.41	5.33	5.26	5.33	5.38	5.42	5.49
Mortgage Rate (%)	7.89	7.73	7.57	7.48	7.46	7.45	7.47	7.47

Table A1.3
Washington Economic Forecast Summary
 Forecast 2002 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	158.389	166.361	171.621	171.740	170.984	176.306	182.805	189.044
% Ch	7.5	5.0	3.2	0.1	-0.4	3.1	3.7	3.4
Real Wage and Salary Disb.	91.544	99.130	102.313	101.097	97.966	100.859	104.410	108.261
% Ch	9.3	8.3	3.2	-1.2	-3.1	3.0	3.5	3.7
Real Nonwage Income	66.844	67.232	69.308	70.642	73.018	75.447	78.395	80.783
% Ch	5.1	0.6	3.1	1.9	3.4	3.3	3.9	3.0
Real Per Capita Income (\$/Person)	27,400	28,414	28,969	28,622	28,187	28,774	29,499	30,104
% Ch	5.9	3.7	2.0	-1.2	-1.5	2.1	2.5	2.1
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.030	1.047	1.075	1.095	1.108	1.134	1.162	1.190
% Ch	1.1	1.6	2.7	1.9	1.2	2.3	2.4	2.4
Seattle Cons. Price Index (1982-84=1.0)	1.678	1.728	1.792	1.857	1.894	1.932	1.975	2.023
% Ch	2.9	3.0	3.7	3.6	2.0	2.0	2.2	2.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	15.75	16.14	16.75	17.60	18.13	18.34	18.60	18.89
% Ch	4.0	2.5	3.7	5.1	3.0	1.2	1.4	1.5
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	162.673	174.159	184.147	187.921	189.065	199.396	211.770	224.286
% Ch	8.6	7.1	5.7	2.0	0.6	5.5	6.2	5.9
Personal Income	163.192	174.221	184.518	188.092	189.489	199.981	212.425	224.964
% Ch	8.6	6.8	5.9	1.9	0.7	5.5	6.2	5.9
Disposable Personal Income	139.668	148.249	155.948	159.923	163.089	172.269	183.049	194.094
% Ch	8.1	6.1	5.2	2.5	2.0	5.6	6.3	6.0
Per Capita Income (\$/Person)	28,231	29,756	31,145	31,348	31,237	32,637	34,278	35,823
% Ch	7.1	5.4	4.7	0.7	-0.4	4.5	5.0	4.5
Employment (Thousands)								
Washington Civilian Labor Force	3,037.9	3,074.6	3,045.3	2,995.7	3,041.7	3,082.9	3,140.4	3,199.1
Total Washington Employment	2,893.3	2,929.2	2,887.5	2,804.1	2,821.9	2,866.5	2,938.5	3,007.1
Unemployment Rate (%)	4.76	4.73	5.18	6.40	7.23	7.02	6.43	6.00
Wage and Salary Employment	2,594.7	2,648.7	2,711.5	2,698.1	2,648.3	2,686.1	2,753.8	2,818.3
% Ch	3.2	2.1	2.4	-0.5	-1.8	1.4	2.5	2.3
Manufacturing	379.6	364.1	353.1	338.6	311.0	307.7	313.6	323.3
% Ch	2.6	-4.1	-3.0	-4.1	-8.1	-1.1	1.9	3.1
Durable Manufacturing	271.0	255.8	244.5	234.7	211.4	206.5	211.4	219.3
% Ch	3.7	-5.6	-4.4	-4.0	-9.9	-2.3	2.4	3.7
Aerospace	112.4	98.9	86.1	86.8	73.5	65.6	66.7	70.8
% Ch	7.1	-12.0	-12.9	0.8	-15.4	-10.7	1.6	6.2
Nondurable Manufacturing	108.6	108.3	108.7	103.9	99.6	101.2	102.1	104.0
% Ch	-0.2	-0.2	0.3	-4.4	-4.1	1.5	1.0	1.9
Nonmanufacturing	2,215.1	2,284.6	2,358.3	2,359.5	2,337.3	2,378.4	2,440.3	2,494.9
% Ch	3.3	3.1	3.2	0.0	-0.9	1.8	2.6	2.2
Construction	143.7	153.8	160.2	155.4	145.4	147.0	152.3	158.4
% Ch	5.4	7.1	4.1	-3.0	-6.5	1.1	3.6	4.0
Services	709.3	739.7	781.9	773.9	769.2	799.6	832.6	858.8
% Ch	4.5	4.3	5.7	-1.0	-0.6	4.0	4.1	3.2
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	45.727	42.752	39.021	38.345	37.518	35.499	38.785	41.449
% Ch	11.3	-6.5	-8.7	-1.7	-2.2	-5.4	9.3	6.9
Single-Family	28.644	28.111	25.471	26.736	26.377	23.477	25.330	27.065
% Ch	3.1	-1.9	-9.4	5.0	-1.3	-11.0	7.9	6.9
Multi-Family	17.083	14.641	13.550	11.609	11.141	12.022	13.455	14.383
% Ch	28.3	-14.3	-7.5	-14.3	-4.0	7.9	11.9	6.9
Mortgage Rate (%)	6.95	7.43	8.06	6.97	7.05	7.63	7.67	7.47

Table A1.4
Washington Economic Forecast Summary
 Forecast 2002 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	171.884	171.263	170.350	172.987	170.675	174.108	172.110	170.066
% Ch	1.8	-1.4	-2.1	6.3	-5.2	8.3	-4.5	-4.7
Real Wage and Salary Disb.	103.636	102.095	100.618	102.902	100.443	103.820	101.060	99.067
% Ch	0.1	-5.8	-5.7	9.4	-9.2	14.1	-10.2	-7.7
Real Nonwage Income	68.248	69.168	69.730	70.086	70.232	70.288	71.050	70.999
% Ch	4.4	5.5	3.3	2.1	0.8	0.3	4.4	-0.3
Real Per Capita Income (\$/Person)	29,162	28,957	28,705	29,051	28,565	29,058	28,643	28,224
% Ch	0.7	-2.8	-3.4	4.9	-6.5	7.1	-5.6	-5.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.066	1.072	1.078	1.084	1.092	1.096	1.095	1.098
% Ch	4.0	2.1	2.4	1.9	3.2	1.3	-0.2	0.8
Seattle Cons. Price Index (1982-84=1.0)	1.762	1.783	1.802	1.820	1.838	1.851	1.867	1.872
% Ch	3.4	4.8	4.3	4.1	3.9	2.9	3.5	1.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	16.54	16.61	16.77	17.07	17.22	17.57	17.73	17.88
% Ch	6.2	1.8	3.8	7.5	3.4	8.3	3.8	3.5
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	182.939	183.316	183.229	187.106	186.277	190.651	188.305	186.452
% Ch	5.2	0.8	-0.2	8.7	-1.8	9.7	-4.8	-3.9
Personal Income	183.308	183.602	183.707	187.454	186.414	190.797	188.502	186.655
% Ch	5.9	0.6	0.2	8.4	-2.2	9.7	-4.7	-3.9
Disposable Personal Income	155.141	155.247	155.209	158.195	157.391	161.208	162.812	158.282
% Ch	4.8	0.3	-0.1	7.9	-2.0	10.1	4.0	-10.7
Per Capita Income (\$/Person)	31,100	31,044	30,956	31,480	31,200	31,843	31,371	30,976
% Ch	4.7	-0.7	-1.1	6.9	-3.5	8.5	-5.8	-4.9
Employment (Thousands)								
Washington Civilian Labor Force	3,064.4	3,049.4	3,037.8	3,029.7	3,016.6	3,003.7	2,984.5	2,978.1
Total Washington Employment	2,912.8	2,896.3	2,876.6	2,864.4	2,843.4	2,818.8	2,791.0	2,763.2
Unemployment Rate (%)	4.95	5.02	5.31	5.45	5.74	6.16	6.49	7.21
Wage and Salary Employment	2,696.8	2,710.2	2,715.9	2,722.9	2,723.5	2,711.4	2,693.2	2,664.3
% Ch	3.7	2.0	0.8	1.0	0.1	-1.8	-2.6	-4.2
Manufacturing	351.9	355.2	353.6	351.8	348.6	341.8	336.9	327.1
% Ch	-7.2	3.8	-1.7	-2.1	-3.5	-7.6	-5.7	-11.1
Durable Manufacturing	242.9	246.1	244.6	244.2	242.0	237.1	233.3	226.4
% Ch	-10.3	5.4	-2.3	-0.6	-3.6	-7.8	-6.4	-11.3
Aerospace	84.4	87.6	86.6	86.0	86.7	87.0	87.8	85.8
% Ch	-29.6	16.0	-4.4	-2.8	3.6	1.1	3.9	-8.6
Nondurable Manufacturing	109.0	109.1	109.0	107.5	106.6	104.7	103.6	100.7
% Ch	0.3	0.4	-0.4	-5.2	-3.4	-7.0	-4.1	-10.7
Nonmanufacturing	2,344.9	2,355.0	2,362.3	2,371.1	2,374.9	2,369.6	2,356.4	2,337.2
% Ch	5.5	1.7	1.2	1.5	0.6	-0.9	-2.2	-3.2
Construction	160.7	160.4	159.0	160.5	160.0	156.6	154.1	151.0
% Ch	8.9	-0.7	-3.4	3.6	-1.1	-8.4	-6.1	-7.8
Services	771.5	775.3	786.2	794.5	780.8	779.1	770.5	765.0
% Ch	9.9	2.0	5.7	4.3	-6.7	-0.9	-4.3	-2.8
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	38.475	36.594	38.387	42.627	41.104	39.417	38.453	34.406
% Ch	-22.0	-18.2	21.1	52.1	-13.5	-15.4	-9.4	-35.9
Single-Family	25.380	25.049	25.493	25.962	28.794	26.795	26.561	24.794
% Ch	-24.0	-5.1	7.3	7.6	51.3	-25.0	-3.5	-24.1
Multi-Family	13.095	11.545	12.894	16.666	12.310	12.622	11.892	9.611
% Ch	-18.0	-39.6	55.6	179.1	-70.2	10.5	-21.2	-57.3
Mortgage Rate (%)	8.26	8.32	8.03	7.64	7.01	7.13	6.97	6.78

Table A1.4
Washington Economic Forecast Summary
 Forecast 2002 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	169.154	170.470	171.554	172.756	174.234	175.611	177.082	178.298
% Ch	-2.1	3.2	2.6	2.8	3.5	3.2	3.4	2.8
Real Wage and Salary Disb.	96.653	97.900	98.359	98.950	99.762	100.451	101.275	101.947
% Ch	-9.4	5.3	1.9	2.4	3.3	2.8	3.3	2.7
Real Nonwage Income	72.501	72.570	73.195	73.806	74.472	75.160	75.807	76.351
% Ch	8.7	0.4	3.5	3.4	3.7	3.7	3.5	2.9
Real Per Capita Income (\$/Person)	27,993	28,137	28,245	28,373	28,545	28,699	28,865	28,986
% Ch	-3.2	2.1	1.5	1.8	2.5	2.2	2.3	1.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.099	1.106	1.110	1.117	1.124	1.131	1.137	1.144
% Ch	0.6	2.6	1.6	2.3	2.8	2.3	2.2	2.5
Seattle Cons. Price Index (1982-84=1.0)	1.877	1.891	1.899	1.908	1.918	1.927	1.936	1.947
% Ch	1.0	3.1	1.6	1.9	2.3	1.9	1.9	2.2
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.02	18.13	18.17	18.21	18.26	18.31	18.37	18.43
% Ch	3.2	2.3	1.0	0.8	1.2	1.1	1.4	1.3
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	185.587	188.158	190.057	192.457	195.380	198.038	200.746	203.420
% Ch	-1.8	5.7	4.1	5.1	6.2	5.6	5.6	5.4
Personal Income	185.931	188.573	190.510	192.941	195.921	198.614	201.367	204.020
% Ch	-1.5	5.8	4.2	5.2	6.3	5.6	5.7	5.4
Disposable Personal Income	159.859	162.065	164.156	166.275	168.915	171.238	173.400	175.522
% Ch	4.0	5.6	5.3	5.3	6.5	5.6	5.1	5.0
Per Capita Income (\$/Person)	30,770	31,125	31,366	31,688	32,098	32,458	32,824	33,168
% Ch	-2.6	4.7	3.1	4.2	5.3	4.6	4.6	4.3
Employment (Thousands)								
Washington Civilian Labor Force	3,030.0	3,037.6	3,044.5	3,054.9	3,066.0	3,076.2	3,087.5	3,101.9
Total Washington Employment	2,813.2	2,817.8	2,822.5	2,834.2	2,847.2	2,858.2	2,871.2	2,889.4
Unemployment Rate (%)	7.16	7.24	7.29	7.22	7.14	7.09	7.01	6.85
Wage and Salary Employment	2,652.5	2,640.3	2,644.7	2,655.7	2,668.0	2,678.3	2,690.5	2,707.7
% Ch	-1.8	-1.8	0.7	1.7	1.9	1.6	1.8	2.6
Manufacturing	316.8	311.2	308.7	307.4	307.6	307.0	307.7	308.5
% Ch	-12.0	-6.9	-3.1	-1.7	0.4	-0.9	1.0	1.1
Durable Manufacturing	217.1	212.3	209.0	207.1	206.9	205.9	206.3	207.1
% Ch	-15.3	-8.7	-5.9	-3.7	-0.5	-1.9	0.9	1.4
Aerospace	79.5	74.9	71.0	68.5	67.4	65.5	65.0	64.7
% Ch	-26.4	-21.1	-19.3	-13.5	-6.4	-10.5	-3.1	-2.0
Nondurable Manufacturing	99.7	98.9	99.7	100.3	100.8	101.1	101.3	101.4
% Ch	-4.1	-2.9	3.1	2.4	2.1	1.2	1.0	0.3
Nonmanufacturing	2,335.7	2,329.2	2,336.0	2,348.4	2,360.3	2,371.4	2,382.8	2,399.2
% Ch	-0.3	-1.1	1.2	2.1	2.1	1.9	1.9	2.8
Construction	148.6	144.2	143.9	144.8	145.7	146.5	147.5	148.5
% Ch	-6.3	-11.2	-0.9	2.4	2.5	2.3	2.7	2.9
Services	761.5	763.0	772.0	780.1	788.1	795.2	802.8	812.2
% Ch	-1.8	0.8	4.8	4.3	4.2	3.6	3.9	4.8
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	36.214	39.336	37.812	36.710	36.051	35.287	34.804	35.854
% Ch	22.7	39.2	-14.6	-11.2	-7.0	-8.2	-5.4	12.6
Single-Family	28.533	27.797	24.984	24.195	23.753	23.475	23.150	23.531
% Ch	75.4	-9.9	-34.7	-12.0	-7.1	-4.6	-5.4	6.7
Multi-Family	7.681	11.539	12.828	12.515	12.299	11.812	11.653	12.324
% Ch	-59.2	409.2	52.8	-9.4	-6.7	-14.9	-5.3	25.1
Mortgage Rate (%)	6.97	6.94	7.04	7.27	7.43	7.54	7.73	7.82

Table A1.4
Washington Economic Forecast Summary
 Forecast 2002 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	180.346	182.029	183.643	185.203	186.712	188.326	189.785	191.352
% Ch	4.7	3.8	3.6	3.4	3.3	3.5	3.1	3.3
Real Wage and Salary Disb.	103.007	103.929	104.854	105.850	106.885	107.806	108.701	109.650
% Ch	4.2	3.6	3.6	3.9	4.0	3.5	3.4	3.5
Real Nonwage Income	77.339	78.100	78.789	79.353	79.827	80.520	81.084	81.702
% Ch	5.3	4.0	3.6	2.9	2.4	3.5	2.8	3.1
Real Per Capita Income (\$/Person)	29,236	29,422	29,591	29,747	29,890	30,045	30,171	30,310
% Ch	3.5	2.6	2.3	2.1	1.9	2.1	1.7	1.8
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.151	1.158	1.166	1.173	1.179	1.187	1.194	1.200
% Ch	2.4	2.5	2.6	2.4	2.3	2.4	2.4	2.2
Seattle Cons. Price Index (1982-84=1.0)	1.958	1.969	1.981	1.993	2.004	2.017	2.030	2.042
% Ch	2.2	2.4	2.5	2.4	2.4	2.6	2.6	2.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	18.50	18.56	18.63	18.70	18.78	18.85	18.92	19.00
% Ch	1.4	1.4	1.5	1.6	1.6	1.5	1.5	1.6
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	206.998	210.206	213.371	216.504	219.542	222.758	225.830	229.012
% Ch	7.2	6.3	6.2	6.0	5.7	6.0	5.6	5.8
Personal Income	207.603	210.853	214.067	217.176	220.215	223.452	226.526	229.664
% Ch	7.2	6.4	6.2	5.9	5.7	6.0	5.6	5.7
Disposable Personal Income	178.835	181.704	184.475	187.182	190.089	192.816	195.444	198.028
% Ch	7.8	6.6	6.2	6.0	6.4	5.9	5.6	5.4
Per Capita Income (\$/Person)	33,655	34,081	34,494	34,883	35,253	35,649	36,012	36,378
% Ch	6.0	5.2	4.9	4.6	4.3	4.6	4.1	4.1
Employment (Thousands)								
Washington Civilian Labor Force	3,116.7	3,132.9	3,148.1	3,163.8	3,178.1	3,191.9	3,206.0	3,220.4
Total Washington Employment	2,908.1	2,929.5	2,948.5	2,968.1	2,984.4	2,999.6	3,014.6	3,029.8
Unemployment Rate (%)	6.70	6.49	6.34	6.19	6.09	6.03	5.97	5.92
Wage and Salary Employment	2,725.2	2,745.3	2,763.2	2,781.6	2,797.0	2,811.2	2,825.4	2,839.6
% Ch	2.6	3.0	2.6	2.7	2.2	2.1	2.0	2.0
Manufacturing	310.2	312.3	314.6	317.1	319.6	322.1	324.6	327.0
% Ch	2.3	2.8	2.9	3.3	3.2	3.2	3.1	3.0
Durable Manufacturing	208.6	210.5	212.3	214.3	216.3	218.3	220.3	222.3
% Ch	3.0	3.6	3.5	3.9	3.7	3.7	3.7	3.6
Aerospace	65.2	66.2	67.2	68.2	69.2	70.2	71.3	72.4
% Ch	3.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Nondurable Manufacturing	101.6	101.9	102.3	102.8	103.3	103.8	104.3	104.7
% Ch	0.8	1.1	1.5	2.0	2.0	2.2	1.8	1.5
Nonmanufacturing	2,415.0	2,433.0	2,448.7	2,464.5	2,477.4	2,489.1	2,500.7	2,512.6
% Ch	2.7	3.0	2.6	2.6	2.1	1.9	1.9	1.9
Construction	150.0	151.5	153.1	154.7	156.3	157.8	159.1	160.2
% Ch	4.0	4.0	4.4	4.2	4.4	3.9	3.2	2.7
Services	820.2	829.1	836.8	844.3	850.4	855.7	861.5	867.7
% Ch	4.0	4.4	3.8	3.6	2.9	2.5	2.8	2.9
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	36.520	38.244	39.475	40.900	41.231	41.194	41.401	41.971
% Ch	7.6	20.3	13.5	15.2	3.3	-0.4	2.0	5.6
Single-Family	23.810	24.927	25.866	26.717	27.069	27.037	27.014	27.141
% Ch	4.8	20.1	15.9	13.8	5.4	-0.5	-0.3	1.9
Multi-Family	12.711	13.317	13.609	14.183	14.162	14.156	14.386	14.829
% Ch	13.2	20.5	9.1	18.0	-0.6	-0.2	6.7	12.9
Mortgage Rate (%)	7.89	7.73	7.57	7.48	7.46	7.45	7.47	7.47

Table A2.1

U.S. Nonagricultural Employment by Industry

Forecast 2002 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Wage and Salary Employment	125.84	128.90	131.76	132.23	131.74	134.22	137.25	139.45
% Ch	2.6	2.4	2.2	0.4	-0.4	1.9	2.3	1.6
Manufacturing	18.81	18.55	18.47	17.70	16.88	17.01	17.11	17.32
% Ch	0.7	-1.3	-0.5	-4.2	-4.6	0.8	0.6	1.2
Nondurable Manufacturing	7.60	7.44	7.33	7.06	6.86	6.98	7.05	7.10
% Ch	-0.8	-2.1	-1.5	-3.7	-2.9	1.7	1.0	0.8
Food and Kindred Products	1.68	1.68	1.68	1.68	1.70	1.72	1.74	1.76
% Ch	-0.1	-0.0	0.1	-0.0	0.7	1.7	1.0	1.2
Pulp and Paper	0.68	0.67	0.66	0.64	0.62	0.63	0.64	0.65
% Ch	-0.8	-1.4	-1.7	-3.3	-2.5	1.9	1.9	1.1
Apparel	0.77	0.69	0.63	0.57	0.53	0.53	0.51	0.50
% Ch	-7.1	-9.9	-8.3	-10.6	-6.8	-0.3	-2.3	-2.6
Printing	1.56	1.55	1.55	1.49	1.42	1.48	1.53	1.58
% Ch	0.8	-0.8	-0.3	-3.6	-4.7	3.8	3.8	3.4
Chemicals	1.04	1.04	1.04	1.03	1.01	0.99	0.98	0.96
% Ch	0.7	-0.7	0.2	-0.4	-2.6	-1.2	-1.7	-2.0
Other Nondurables	1.87	1.81	1.77	1.65	1.59	1.63	1.64	1.65
% Ch	-1.0	-2.8	-2.3	-6.9	-3.8	2.5	0.7	0.5
Durable Manufacturing	11.21	11.11	11.14	10.64	10.02	10.03	10.07	10.22
% Ch	1.8	-0.8	0.2	-4.5	-5.8	0.1	0.4	1.5
Lumber and Wood	0.81	0.83	0.83	0.79	0.80	0.84	0.88	0.92
% Ch	2.2	2.6	-0.3	-4.5	0.4	5.9	4.7	3.4
Furniture	0.53	0.55	0.56	0.53	0.50	0.51	0.52	0.52
% Ch	4.0	2.9	1.9	-5.5	-4.6	1.8	0.6	1.7
Stone-Clay-Glass	0.56	0.57	0.58	0.57	0.55	0.56	0.56	0.56
% Ch	1.7	0.9	2.1	-1.4	-3.0	0.5	0.4	0.5
Primary Metals	0.71	0.70	0.70	0.65	0.60	0.62	0.63	0.64
% Ch	0.6	-2.2	-0.2	-6.8	-7.4	2.2	1.6	1.6
Fabricated Metals	1.51	1.52	1.54	1.48	1.42	1.46	1.48	1.50
% Ch	2.1	0.8	1.0	-3.8	-3.8	2.8	1.4	1.1
Nonelectrical Machinery	2.21	2.14	2.12	2.01	1.84	1.69	1.63	1.65
% Ch	1.8	-3.2	-0.8	-5.0	-8.8	-7.8	-3.7	1.0
Electrical Machinery	1.71	1.67	1.72	1.61	1.44	1.42	1.41	1.46
% Ch	1.1	-2.1	2.8	-6.2	-10.7	-1.3	-0.6	3.6
Transportation Equipment	1.89	1.89	1.85	1.75	1.66	1.69	1.70	1.70
% Ch	2.6	-0.3	-2.0	-5.5	-5.2	2.1	0.6	0.2
Instruments	0.87	0.86	0.85	0.86	0.83	0.85	0.86	0.87
% Ch	0.8	-2.0	-0.3	0.8	-3.6	2.4	1.5	0.5
Other Durables	0.39	0.39	0.39	0.39	0.38	0.39	0.40	0.41
% Ch	0.9	-0.9	0.7	-2.2	-1.1	1.8	2.7	2.3
Nonmanufacturing	107.04	110.35	113.29	114.53	114.86	117.21	120.14	122.12
% Ch	2.9	3.1	2.7	1.1	0.3	2.0	2.5	1.7
Mining	0.59	0.54	0.54	0.56	0.56	0.58	0.57	0.56
% Ch	-1.1	-8.7	0.6	3.8	-0.2	3.5	-2.0	-2.2
Construction	6.02	6.41	6.70	6.87	6.72	6.86	7.12	7.26
% Ch	5.7	6.6	4.5	2.5	-2.2	2.1	3.8	1.9
Trans., Comm. and Utilities	6.61	6.83	7.02	7.07	7.00	7.29	7.55	7.74
% Ch	3.2	3.4	2.7	0.7	-1.0	4.1	3.6	2.5
Wholesale Trade	6.80	6.91	7.02	7.01	6.92	7.03	7.19	7.26
% Ch	2.3	1.6	1.6	-0.1	-1.3	1.6	2.2	1.0
Retail Trade	22.30	22.85	23.31	23.49	23.42	23.51	23.77	23.96
% Ch	1.5	2.5	2.0	0.8	-0.3	0.4	1.1	0.8
Finance-Insurance-Real Estate	7.39	7.56	7.56	7.63	7.67	7.85	8.09	8.25
% Ch	3.9	2.3	0.1	0.8	0.6	2.3	3.1	2.0
Services	37.53	39.05	40.46	41.03	41.45	42.91	44.51	45.68
% Ch	4.1	4.1	3.6	1.4	1.0	3.5	3.7	2.6
State and Local Government	17.13	17.53	17.89	18.24	18.48	18.50	18.62	18.71
% Ch	1.6	2.3	2.1	2.0	1.3	0.1	0.7	0.5
Federal Government	2.69	2.67	2.78	2.62	2.64	2.69	2.71	2.71
% Ch	-0.5	-0.6	4.2	-5.8	0.7	2.0	0.7	0.3

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2002 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	130.98	131.85	131.93	132.26	132.56	132.48	132.36	131.51
% Ch	2.7	2.7	0.2	1.0	0.9	-0.2	-0.4	-2.5
Manufacturing	18.50	18.51	18.49	18.38	18.19	17.88	17.56	17.17
% Ch	0.2	0.1	-0.5	-2.3	-4.1	-6.6	-7.1	-8.4
Nondurable Manufacturing	7.38	7.36	7.32	7.26	7.20	7.10	7.02	6.92
% Ch	-1.1	-1.1	-2.5	-3.0	-3.5	-5.3	-4.5	-5.6
Food and Kindred Products	1.69	1.69	1.68	1.68	1.69	1.69	1.68	1.69
% Ch	-0.5	-0.4	-2.3	0.0	1.4	-0.1	-1.6	2.1
Pulp and Paper	0.66	0.66	0.66	0.65	0.65	0.64	0.63	0.63
% Ch	-1.0	-1.6	-1.6	-1.0	-4.6	-4.7	-5.3	-2.1
Apparel	0.65	0.64	0.63	0.61	0.59	0.58	0.56	0.54
% Ch	-7.2	-6.0	-8.8	-10.4	-9.9	-12.2	-11.3	-15.7
Printing	1.55	1.55	1.55	1.54	1.53	1.50	1.48	1.45
% Ch	-0.2	0.3	0.0	-2.2	-3.1	-6.6	-5.6	-7.3
Chemicals	1.04	1.04	1.04	1.04	1.04	1.03	1.03	1.02
% Ch	0.9	0.0	-0.6	0.8	0.3	-1.9	0.4	-4.2
Other Nondurables	1.79	1.79	1.77	1.74	1.70	1.67	1.64	1.59
% Ch	-1.2	-1.6	-3.8	-6.5	-7.8	-8.8	-6.6	-10.1
Durable Manufacturing	11.12	11.15	11.17	11.12	10.99	10.78	10.54	10.25
% Ch	1.0	1.0	0.8	-1.9	-4.5	-7.4	-8.8	-10.3
Lumber and Wood	0.84	0.84	0.83	0.82	0.80	0.80	0.79	0.78
% Ch	0.8	-1.7	-3.5	-6.9	-7.1	-1.5	-1.8	-5.1
Furniture	0.56	0.56	0.56	0.56	0.55	0.54	0.52	0.50
% Ch	2.4	2.2	1.9	-3.1	-5.2	-8.0	-12.3	-14.5
Stone-Clay-Glass	0.58	0.58	0.58	0.58	0.58	0.57	0.57	0.56
% Ch	4.5	-0.5	0.7	-2.1	0.9	-2.7	-4.3	-3.9
Primary Metals	0.70	0.70	0.70	0.69	0.68	0.66	0.64	0.62
% Ch	2.5	-0.6	-1.1	-4.3	-7.7	-9.5	-10.1	-12.6
Fabricated Metals	1.53	1.54	1.54	1.54	1.52	1.49	1.47	1.44
% Ch	1.6	2.6	0.7	-1.5	-5.1	-6.9	-5.2	-8.2
Nonelectrical Machinery	2.11	2.12	2.13	2.12	2.10	2.05	1.98	1.92
% Ch	-0.6	0.3	2.8	-1.7	-3.6	-9.1	-12.7	-12.8
Electrical Machinery	1.69	1.71	1.74	1.74	1.73	1.65	1.57	1.50
% Ch	3.8	4.6	6.5	0.2	-2.8	-15.4	-19.3	-16.2
Transportation Equipment	1.87	1.87	1.84	1.82	1.78	1.76	1.75	1.71
% Ch	-0.7	-1.0	-6.1	-3.7	-9.1	-4.4	-2.8	-8.9
Instruments	0.84	0.85	0.86	0.86	0.87	0.87	0.86	0.84
% Ch	-1.9	1.9	4.8	3.6	3.0	-2.4	-3.3	-6.5
Other Durables	0.39	0.39	0.39	0.40	0.39	0.39	0.38	0.38
% Ch	1.0	-1.3	2.4	0.3	-3.7	-2.7	-5.7	-4.8
Nonmanufacturing	112.48	113.34	113.44	113.89	114.37	114.60	114.80	114.34
% Ch	3.1	3.1	0.3	1.6	1.7	0.8	0.7	-1.6
Mining	0.53	0.54	0.54	0.55	0.55	0.56	0.57	0.57
% Ch	1.0	5.1	2.0	3.7	3.7	6.7	3.8	-1.2
Construction	6.66	6.66	6.70	6.78	6.88	6.87	6.87	6.85
% Ch	7.9	-0.4	2.6	4.6	6.1	-0.7	0.0	-0.9
Trans., Comm. and Utilities	6.96	7.00	7.02	7.09	7.12	7.12	7.09	6.96
% Ch	2.9	2.2	1.0	4.2	1.5	0.2	-2.0	-6.9
Wholesale Trade	6.98	7.01	7.04	7.07	7.07	7.04	7.00	6.95
% Ch	1.5	1.6	1.6	1.7	-0.0	-1.6	-1.8	-3.1
Retail Trade	23.20	23.29	23.34	23.39	23.45	23.55	23.57	23.40
% Ch	2.3	1.5	1.0	0.9	0.9	1.7	0.5	-2.9
Finance-Insurance-Real Estate	7.57	7.55	7.55	7.58	7.61	7.63	7.62	7.63
% Ch	-0.2	-1.2	-0.1	1.5	1.7	1.4	-0.5	0.5
Services	40.03	40.36	40.61	40.84	41.03	41.05	41.10	40.95
% Ch	3.8	3.3	2.6	2.2	1.9	0.3	0.5	-1.5
State and Local Government	17.80	17.86	17.94	17.98	18.06	18.17	18.35	18.41
% Ch	2.0	1.3	1.7	0.9	1.9	2.4	4.1	1.3
Federal Government	2.73	3.08	2.70	2.62	2.61	2.62	2.62	2.62
% Ch	12.5	62.2	-40.7	-11.4	-0.7	0.4	1.4	-1.4

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2002 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	131.20	131.35	131.85	132.56	133.28	133.83	134.41	135.36
% Ch	-0.9	0.5	1.5	2.2	2.2	1.7	1.7	2.8
Manufacturing	16.87	16.86	16.87	16.91	16.96	16.98	17.03	17.06
% Ch	-6.8	-0.4	0.5	0.9	1.1	0.6	1.0	0.9
Nondurable Manufacturing	6.86	6.83	6.86	6.89	6.93	6.97	7.00	7.01
% Ch	-3.7	-1.5	1.5	2.0	2.5	2.0	1.8	1.0
Food and Kindred Products	1.68	1.69	1.70	1.70	1.71	1.72	1.73	1.73
% Ch	-0.6	1.8	1.7	1.2	2.4	1.3	2.0	0.5
Pulp and Paper	0.62	0.62	0.62	0.62	0.62	0.63	0.63	0.64
% Ch	-2.3	-3.6	0.4	1.2	2.9	3.0	3.2	2.4
Apparel	0.53	0.53	0.53	0.53	0.53	0.53	0.52	0.52
% Ch	-4.9	-2.6	0.9	3.2	-0.0	-1.6	-3.3	-2.4
Printing	1.42	1.41	1.42	1.43	1.45	1.47	1.49	1.50
% Ch	-7.8	-3.8	2.9	3.9	4.7	4.9	4.6	4.0
Chemicals	1.02	1.01	1.00	1.00	1.00	0.99	0.99	0.99
% Ch	-2.1	-5.0	-1.9	-1.4	-0.3	-0.8	-0.6	-1.5
Other Nondurables	1.58	1.58	1.59	1.60	1.62	1.63	1.63	1.64
% Ch	-4.1	0.7	2.8	3.1	3.0	2.5	1.8	0.9
Durable Manufacturing	10.02	10.03	10.02	10.02	10.03	10.02	10.03	10.05
% Ch	-8.9	0.3	-0.2	0.2	0.1	-0.3	0.5	0.8
Lumber and Wood	0.78	0.79	0.80	0.82	0.83	0.84	0.85	0.86
% Ch	-0.8	3.5	7.3	6.1	5.9	5.4	6.1	5.9
Furniture	0.50	0.50	0.50	0.51	0.51	0.51	0.51	0.51
% Ch	-2.6	5.1	0.2	1.8	1.9	2.7	0.7	1.3
Stone-Clay-Glass	0.55	0.55	0.55	0.55	0.55	0.56	0.56	0.56
% Ch	-6.7	1.1	-0.6	0.5	0.5	0.2	1.1	1.1
Primary Metals	0.60	0.60	0.60	0.61	0.61	0.61	0.62	0.62
% Ch	-14.2	2.5	0.7	2.0	2.8	2.4	2.7	1.5
Fabricated Metals	1.42	1.42	1.42	1.43	1.44	1.46	1.47	1.48
% Ch	-6.2	1.4	0.3	1.9	3.6	4.4	3.5	1.9
Nonelectrical Machinery	1.86	1.86	1.84	1.79	1.75	1.70	1.67	1.65
% Ch	-11.6	0.2	-4.9	-9.5	-8.6	-10.8	-7.7	-4.5
Electrical Machinery	1.44	1.43	1.44	1.45	1.44	1.42	1.41	1.42
% Ch	-15.7	-3.1	5.1	2.1	-4.2	-4.8	-1.5	0.8
Transportation Equipment	1.66	1.66	1.64	1.65	1.67	1.69	1.70	1.70
% Ch	-9.3	-0.7	-4.2	2.4	4.4	3.8	2.7	1.1
Instruments	0.83	0.82	0.83	0.83	0.84	0.85	0.85	0.86
% Ch	-5.1	-4.2	1.0	3.3	3.2	3.6	2.6	2.0
Other Durables	0.38	0.38	0.38	0.38	0.38	0.39	0.39	0.39
% Ch	-1.8	6.9	-0.8	0.5	1.8	1.7	2.8	3.8
Nonmanufacturing	114.33	114.49	114.98	115.65	116.32	116.85	117.38	118.29
% Ch	-0.0	0.6	1.7	2.3	2.4	1.8	1.8	3.1
Mining	0.56	0.55	0.56	0.57	0.59	0.59	0.58	0.58
% Ch	-5.8	-2.4	3.9	10.3	8.0	0.4	-4.6	-2.5
Construction	6.79	6.71	6.66	6.70	6.76	6.82	6.89	6.97
% Ch	-3.4	-4.9	-2.5	2.5	3.6	3.4	4.0	4.7
Trans., Comm. and Utilities	6.89	6.94	7.04	7.13	7.21	7.25	7.30	7.39
% Ch	-3.9	2.7	6.1	5.4	4.3	2.4	2.6	4.9
Wholesale Trade	6.92	6.90	6.92	6.95	6.98	7.01	7.04	7.10
% Ch	-1.7	-1.0	1.0	1.6	2.1	1.6	1.7	3.2
Retail Trade	23.44	23.45	23.36	23.43	23.48	23.50	23.47	23.58
% Ch	0.7	0.1	-1.5	1.3	0.8	0.5	-0.5	1.8
Finance-Insurance-Real Estate	7.63	7.64	7.69	7.72	7.77	7.81	7.86	7.94
% Ch	-0.4	0.6	2.8	1.4	2.9	1.8	2.5	4.3
Services	41.01	41.17	41.62	42.01	42.39	42.70	43.05	43.51
% Ch	0.6	1.7	4.4	3.8	3.7	3.0	3.3	4.4
State and Local Government	18.48	18.51	18.47	18.46	18.46	18.48	18.51	18.54
% Ch	1.7	0.5	-0.7	-0.2	0.0	0.3	0.6	0.7
Federal Government	2.61	2.63	2.65	2.66	2.67	2.69	2.69	2.70
% Ch	-1.4	3.5	3.0	2.3	1.7	1.6	1.3	0.8

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2002 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Wage and Salary Employment	136.08	136.94	137.62	138.37	138.88	139.25	139.63	140.02
% Ch	2.2	2.6	2.0	2.2	1.5	1.0	1.1	1.1
Manufacturing	17.08	17.09	17.11	17.19	17.24	17.30	17.35	17.40
% Ch	0.3	0.3	0.4	1.9	1.3	1.3	1.2	1.1
Nondurable Manufacturing	7.02	7.04	7.05	7.07	7.09	7.10	7.10	7.11
% Ch	0.5	0.7	0.7	1.5	0.9	0.6	0.2	0.1
Food and Kindred Products	1.73	1.74	1.75	1.75	1.75	1.76	1.76	1.76
% Ch	0.1	1.5	1.6	0.8	1.1	1.8	0.8	-0.2
Pulp and Paper	0.64	0.64	0.64	0.65	0.65	0.65	0.65	0.65
% Ch	1.4	1.2	1.1	2.4	1.3	0.6	0.2	0.3
Apparel	0.52	0.52	0.51	0.51	0.51	0.50	0.50	0.49
% Ch	-1.1	-2.5	-3.3	-2.7	-1.8	-2.6	-3.2	-2.8
Printing	1.51	1.52	1.54	1.56	1.57	1.58	1.59	1.60
% Ch	3.5	3.2	3.4	4.6	3.3	2.8	2.7	2.8
Chemicals	0.98	0.98	0.97	0.97	0.97	0.96	0.95	0.95
% Ch	-2.3	-2.3	-2.0	-0.9	-2.1	-2.4	-2.6	-2.5
Other Nondurables	1.64	1.64	1.64	1.64	1.65	1.65	1.65	1.65
% Ch	0.3	0.1	0.0	1.7	0.7	0.1	-0.1	0.3
Durable Manufacturing	10.05	10.05	10.06	10.11	10.15	10.20	10.24	10.29
% Ch	0.1	0.1	0.2	2.2	1.6	1.7	1.9	1.7
Lumber and Wood	0.87	0.88	0.89	0.90	0.91	0.91	0.92	0.92
% Ch	4.6	3.7	3.3	4.6	3.7	2.7	2.4	2.5
Furniture	0.51	0.51	0.51	0.52	0.52	0.52	0.53	0.53
% Ch	-0.4	-0.8	1.2	3.8	1.8	1.2	1.2	1.3
Stone-Clay-Glass	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
% Ch	-0.1	0.0	0.0	1.6	0.6	0.2	0.1	0.2
Primary Metals	0.62	0.62	0.63	0.63	0.63	0.64	0.64	0.64
% Ch	0.7	1.1	2.1	2.9	0.7	1.9	1.2	1.2
Fabricated Metals	1.48	1.48	1.48	1.49	1.49	1.50	1.50	1.50
% Ch	0.4	0.2	0.4	2.4	1.3	0.8	0.5	0.5
Nonelectrical Machinery	1.64	1.63	1.63	1.63	1.64	1.64	1.65	1.66
% Ch	-2.6	-1.8	-1.6	1.1	1.4	1.5	2.8	2.2
Electrical Machinery	1.41	1.41	1.41	1.42	1.43	1.45	1.47	1.50
% Ch	-0.7	-1.0	-1.0	3.2	4.3	5.1	6.5	6.5
Transportation Equipment	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
% Ch	-0.4	-0.1	-0.5	0.2	0.0	0.9	0.3	-0.2
Instruments	0.86	0.86	0.86	0.86	0.87	0.87	0.87	0.86
% Ch	1.3	0.3	0.3	2.0	0.6	-0.0	-0.2	-0.2
Other Durables	0.39	0.40	0.40	0.40	0.41	0.41	0.41	0.41
% Ch	2.3	2.1	2.6	3.5	2.4	1.8	1.5	1.6
Nonmanufacturing	119.00	119.85	120.51	121.18	121.64	121.95	122.28	122.63
% Ch	2.4	2.9	2.2	2.3	1.5	1.0	1.1	1.1
Mining	0.57	0.57	0.57	0.57	0.56	0.56	0.56	0.55
% Ch	-1.8	-1.2	-1.4	-1.8	-2.9	-2.7	-2.3	-1.6
Construction	7.03	7.10	7.14	7.21	7.24	7.25	7.26	7.27
% Ch	3.8	3.8	2.6	3.6	1.9	0.5	0.2	0.6
Trans., Comm. and Utilities	7.45	7.52	7.59	7.65	7.70	7.73	7.75	7.78
% Ch	3.5	3.9	3.5	3.4	2.4	1.6	1.3	1.5
Wholesale Trade	7.13	7.18	7.21	7.23	7.25	7.25	7.26	7.28
% Ch	2.2	2.4	1.7	1.5	0.9	0.2	0.5	0.7
Retail Trade	23.64	23.76	23.81	23.89	23.93	23.95	23.96	23.98
% Ch	1.0	2.1	0.9	1.2	0.7	0.5	0.2	0.2
Finance-Insurance-Real Estate	8.00	8.07	8.13	8.18	8.22	8.24	8.27	8.28
% Ch	2.8	3.6	3.0	2.7	1.8	1.0	1.4	0.8
Services	43.90	44.34	44.72	45.09	45.35	45.55	45.78	46.02
% Ch	3.6	4.1	3.5	3.3	2.3	1.7	2.0	2.1
State and Local Government	18.58	18.61	18.63	18.66	18.68	18.70	18.73	18.75
% Ch	0.9	0.7	0.5	0.5	0.5	0.5	0.5	0.5
Federal Government	2.70	2.71	2.71	2.71	2.71	2.71	2.72	2.72
% Ch	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3

Table A2.3
Washington Nonagricultural Employment by Industry
 Forecast 2002 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Wage and Salary Employment	2,594.7	2,648.7	2,711.5	2,698.1	2,648.3	2,686.1	2,753.8	2,818.3
% Ch	3.2	2.1	2.4	-0.5	-1.8	1.4	2.5	2.3
Manufacturing	379.6	364.1	353.1	338.6	311.0	307.7	313.6	323.3
% Ch	2.6	-4.1	-3.0	-4.1	-8.1	-1.1	1.9	3.1
Nondurable Manufacturing	108.6	108.3	108.7	103.9	99.6	101.2	102.1	104.0
% Ch	-0.2	-0.2	0.3	-4.4	-4.1	1.5	1.0	1.9
Food and Kindred Products	40.7	41.1	41.5	40.0	38.8	39.4	39.7	40.5
% Ch	-1.4	0.9	0.9	-3.6	-3.0	1.5	0.9	1.9
Pulp and Paper	16.2	15.9	15.9	14.9	14.0	14.1	13.9	13.9
% Ch	-0.7	-2.0	0.2	-6.0	-6.0	0.1	-0.8	-0.4
Apparel	9.6	8.7	8.3	7.7	7.0	7.0	6.9	6.9
% Ch	-5.5	-8.9	-4.7	-8.1	-8.5	0.5	-1.4	-0.6
Printing	24.4	24.2	24.5	23.4	22.1	22.7	23.5	24.4
% Ch	0.9	-0.9	1.2	-4.5	-5.6	3.1	3.1	4.1
Chemicals	6.0	6.2	6.1	6.0	5.7	5.8	5.9	6.1
% Ch	6.1	3.0	-0.8	-2.7	-5.1	2.2	2.0	2.8
Other Nondurables	11.7	12.3	12.4	12.0	12.1	12.1	12.2	12.3
% Ch	4.5	4.8	1.0	-3.2	0.6	0.8	0.0	0.9
Durable Manufacturing	271.0	255.8	244.5	234.7	211.4	206.5	211.4	219.3
% Ch	3.7	-5.6	-4.4	-4.0	-9.9	-2.3	2.4	3.7
Lumber and Wood	34.2	33.9	33.3	31.1	30.4	31.8	32.9	33.8
% Ch	-4.1	-0.7	-1.8	-6.6	-2.3	4.4	3.7	2.7
Furniture	4.7	4.7	5.0	4.7	4.4	4.5	4.5	4.6
% Ch	14.5	1.4	4.9	-5.0	-6.5	0.7	0.5	1.9
Stone-Clay-Glass	9.1	8.9	9.2	8.8	8.4	8.4	8.4	8.5
% Ch	-4.0	-2.7	3.3	-4.4	-4.7	-0.4	0.3	1.7
Primary Metals	12.0	11.7	11.1	9.1	7.7	7.6	7.7	7.7
% Ch	3.0	-2.4	-5.0	-18.1	-15.3	-1.5	1.7	-0.1
Fabricated Metals	14.8	14.6	14.9	14.3	13.8	14.0	14.1	14.4
% Ch	3.7	-1.2	2.1	-4.4	-3.5	1.7	0.7	2.2
Nonelectrical Machinery	26.1	25.1	25.6	24.3	21.7	21.9	22.7	23.6
% Ch	-1.8	-3.8	1.9	-5.1	-10.5	0.9	3.5	3.8
Electrical Machinery	18.5	18.5	20.3	19.2	16.2	16.7	17.9	19.0
% Ch	8.8	-0.3	10.0	-5.4	-15.8	3.4	7.1	5.8
Aerospace	112.4	98.9	86.1	86.8	73.5	65.6	66.7	70.8
% Ch	7.1	-12.0	-12.9	0.8	-15.4	-10.7	1.6	6.2
Other Trans. Equip.	15.6	15.9	15.3	13.3	12.8	13.0	13.1	13.2
% Ch	7.6	1.7	-4.0	-12.7	-3.8	1.7	0.9	0.6
Instruments	14.9	14.8	14.6	14.5	14.1	14.4	14.5	14.7
% Ch	2.7	-0.7	-1.0	-0.8	-3.0	2.1	1.1	1.0
Other Durables	8.7	8.8	9.0	8.5	8.4	8.7	8.9	9.1
% Ch	1.6	1.2	2.7	-5.6	-1.4	3.2	2.3	2.8
Nonmanufacturing	2,215.1	2,284.6	2,358.3	2,359.5	2,337.3	2,378.4	2,440.3	2,494.9
% Ch	3.3	3.1	3.2	0.0	-0.9	1.8	2.6	2.2
Mining	3.3	3.1	3.6	3.4	3.3	3.4	3.5	3.6
% Ch	-6.1	-4.2	13.7	-4.0	-5.1	3.0	3.8	3.4
Construction	143.7	153.8	160.2	155.4	145.4	147.0	152.3	158.4
% Ch	5.4	7.1	4.1	-3.0	-6.5	1.1	3.6	4.0
Trans., Comm. and Utilities	135.6	139.7	146.6	146.4	139.5	144.1	150.5	155.6
% Ch	2.1	3.0	4.9	-0.1	-4.8	3.3	4.5	3.3
Wholesale Trade	153.1	154.1	151.3	144.3	138.8	140.6	144.8	148.3
% Ch	2.3	0.7	-1.8	-4.6	-3.8	1.4	3.0	2.5
Retail Trade	469.6	482.0	493.9	490.1	484.2	487.0	494.3	501.3
% Ch	2.7	2.6	2.5	-0.8	-1.2	0.6	1.5	1.4
Finance-Insurance-Real Estate	134.6	137.6	137.5	140.7	143.3	145.7	149.8	153.8
% Ch	5.4	2.2	-0.1	2.4	1.8	1.7	2.8	2.7
Services	709.3	739.7	781.9	773.9	769.2	799.6	832.6	858.8
% Ch	4.5	4.3	5.7	-1.0	-0.6	4.0	4.1	3.2
State and Local Government	398.8	406.9	413.6	437.3	445.0	441.5	442.5	444.9
% Ch	2.2	2.0	1.6	5.7	1.8	-0.8	0.2	0.5
Federal Government	67.2	67.6	69.9	67.9	68.7	69.6	70.0	70.4
% Ch	-0.9	0.5	3.4	-2.8	1.2	1.2	0.6	0.5

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2002 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	2,696.8	2,710.2	2,715.9	2,722.9	2,723.5	2,711.4	2,693.2	2,664.3
% Ch	3.7	2.0	0.8	1.0	0.1	-1.8	-2.6	-4.2
Manufacturing	351.9	355.2	353.6	351.8	348.6	341.8	336.9	327.1
% Ch	-7.2	3.8	-1.7	-2.1	-3.5	-7.6	-5.7	-11.1
Nondurable Manufacturing	109.0	109.1	109.0	107.5	106.6	104.7	103.6	100.7
% Ch	0.3	0.4	-0.4	-5.2	-3.4	-7.0	-4.1	-10.7
Food and Kindred Products	41.2	41.9	42.0	40.8	40.9	40.3	40.2	38.6
% Ch	-1.8	7.1	1.3	-10.8	0.5	-5.9	-0.7	-14.7
Pulp and Paper	15.9	16.0	15.9	15.9	15.4	15.0	14.8	14.6
% Ch	3.2	-0.4	1.5	-4.3	-2.7	-5.8	-9.7	-12.6
Apparel	8.5	8.4	8.3	8.2	8.0	7.8	7.5	7.3
% Ch	-13.9	-2.3	-6.5	-3.5	-7.1	-12.5	-12.5	-11.7
Printing	24.5	24.5	24.6	24.3	24.1	23.8	23.2	22.4
% Ch	3.2	-0.4	1.5	-4.3	-2.7	-5.8	-9.7	-12.6
Chemicals	6.3	6.0	6.1	6.1	6.1	6.0	6.0	5.8
% Ch	-0.6	-15.5	1.9	6.0	-4.0	-7.4	-0.6	-7.5
Other Nondurables	12.7	12.4	12.2	12.2	12.1	11.9	12.0	11.9
% Ch	13.0	-9.7	-4.2	-0.2	-5.1	-5.4	3.7	-2.7
Durable Manufacturing	242.9	246.1	244.6	244.2	242.0	237.1	233.3	226.4
% Ch	-10.3	5.4	-2.3	-0.6	-3.6	-7.8	-6.4	-11.3
Lumber and Wood	34.0	33.8	33.0	32.4	31.9	31.1	31.1	30.4
% Ch	2.3	-2.0	-9.4	-6.3	-6.4	-9.3	-1.2	-8.8
Furniture	4.8	5.0	5.0	5.0	4.9	4.8	4.7	4.5
% Ch	8.2	13.4	1.5	2.3	-10.3	-11.1	-6.3	-12.1
Stone-Clay-Glass	9.2	9.2	9.1	9.2	9.2	9.0	8.5	8.4
% Ch	8.4	-0.6	-3.9	1.8	2.6	-9.9	-19.3	-5.3
Primary Metals	11.3	11.1	10.8	11.2	10.1	9.6	8.6	8.1
% Ch	-9.7	-8.7	-10.2	17.2	-34.3	-17.6	-37.4	-19.3
Fabricated Metals	14.9	15.0	15.0	14.9	14.9	14.4	14.0	13.8
% Ch	0.1	2.9	0.4	-1.2	-1.1	-13.3	-9.4	-6.1
Nonelectrical Machinery	25.3	25.6	25.7	25.7	25.4	24.7	24.0	23.0
% Ch	0.9	4.1	1.5	0.9	-4.6	-11.2	-11.0	-15.5
Electrical Machinery	19.4	19.9	20.7	21.3	21.3	19.8	18.6	17.3
% Ch	20.2	12.6	16.8	10.7	0.6	-25.2	-22.6	-25.6
Aerospace	84.4	87.6	86.6	86.0	86.7	87.0	87.8	85.8
% Ch	-29.6	16.0	-4.4	-2.8	3.6	1.1	3.9	-8.6
Other Trans. Equip.	16.0	15.5	15.0	14.6	14.1	13.4	13.1	12.7
% Ch	4.5	-11.7	-12.4	-9.9	-13.6	-17.8	-8.2	-12.5
Instruments	14.5	14.6	14.7	14.7	14.6	14.7	14.6	14.2
% Ch	-6.2	2.5	2.4	-0.4	-3.4	4.3	-3.9	-10.1
Other Durables	9.0	8.8	9.1	9.2	8.9	8.6	8.4	8.2
% Ch	0.2	-10.0	11.7	4.5	-11.8	-9.9	-12.7	-8.1
Nonmanufacturing	2,344.9	2,355.0	2,362.3	2,371.1	2,374.9	2,369.6	2,356.4	2,337.2
% Ch	5.5	1.7	1.2	1.5	0.6	-0.9	-2.2	-3.2
Mining	3.5	3.6	3.6	3.5	3.4	3.5	3.5	3.4
% Ch	39.3	7.4	1.5	-9.4	-10.9	5.0	-1.4	-10.4
Construction	160.7	160.4	159.0	160.5	160.0	156.6	154.1	151.0
% Ch	8.9	-0.7	-3.4	3.6	-1.1	-8.4	-6.1	-7.8
Trans., Comm. and Utilities	144.0	145.7	147.3	149.4	149.2	148.6	145.9	142.1
% Ch	4.0	4.9	4.5	5.8	-0.5	-1.8	-7.1	-10.0
Wholesale Trade	154.3	152.5	150.1	148.3	147.2	145.1	143.6	141.3
% Ch	-0.8	-4.6	-6.2	-4.6	-3.1	-5.5	-4.0	-6.2
Retail Trade	493.6	495.5	493.5	493.0	495.3	493.5	489.5	482.2
% Ch	4.8	1.5	-1.5	-0.5	1.9	-1.4	-3.2	-5.9
Finance-Insurance-Real Estate	137.8	137.2	137.1	137.7	139.1	139.5	141.8	142.6
% Ch	-0.5	-1.8	-0.4	1.7	4.2	1.2	6.7	2.4
Services	771.5	775.3	786.2	794.5	780.8	779.1	770.5	765.0
% Ch	9.9	2.0	5.7	4.3	-6.7	-0.9	-4.3	-2.8
State and Local Government	411.6	410.9	416.0	415.9	432.3	436.7	439.2	441.0
% Ch	2.8	-0.7	5.1	-0.1	16.8	4.1	2.4	1.7
Federal Government	67.9	73.9	69.4	68.4	67.5	67.1	68.4	68.7
% Ch	1.2	40.4	-22.4	-5.7	-4.9	-2.7	8.0	1.8

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2002 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	2,652.5	2,640.3	2,644.7	2,655.7	2,668.0	2,678.3	2,690.5	2,707.7
% Ch	-1.8	-1.8	0.7	1.7	1.9	1.6	1.8	2.6
Manufacturing	316.8	311.2	308.7	307.4	307.6	307.0	307.7	308.5
% Ch	-12.0	-6.9	-3.1	-1.7	0.4	-0.9	1.0	1.1
Nondurable Manufacturing	99.7	98.9	99.7	100.3	100.8	101.1	101.3	101.4
% Ch	-4.1	-2.9	3.1	2.4	2.1	1.2	1.0	0.3
Food and Kindred Products	38.8	38.5	38.8	39.0	39.3	39.3	39.5	39.4
% Ch	2.3	-3.3	3.4	2.1	2.2	0.9	1.1	-0.2
Pulp and Paper	14.0	14.0	14.1	14.1	14.1	14.1	14.1	14.0
% Ch	-16.7	2.3	1.4	0.4	-0.0	-0.4	-0.9	-1.2
Apparel	7.0	7.0	7.0	7.1	7.1	7.1	7.0	7.0
% Ch	-16.6	-0.7	3.4	4.3	0.5	-1.5	-3.0	-1.9
Printing	22.2	21.8	22.0	22.2	22.4	22.7	22.9	23.0
% Ch	-3.3	-7.1	3.7	3.9	4.0	3.9	3.5	2.6
Chemicals	5.7	5.6	5.6	5.7	5.7	5.8	5.8	5.8
% Ch	-6.6	-11.7	4.5	3.6	3.4	2.5	2.5	1.9
Other Nondurables	11.9	12.0	12.1	12.1	12.2	12.2	12.1	12.1
% Ch	-0.0	3.3	2.3	1.1	0.6	0.2	-0.3	-0.6
Durable Manufacturing	217.1	212.3	209.0	207.1	206.9	205.9	206.3	207.1
% Ch	-15.3	-8.7	-5.9	-3.7	-0.5	-1.9	0.9	1.4
Lumber and Wood	30.1	30.1	30.5	30.9	31.2	31.6	31.9	32.3
% Ch	-3.5	0.7	5.7	4.7	4.5	4.2	4.6	4.5
Furniture	4.4	4.4	4.4	4.5	4.5	4.5	4.4	4.4
% Ch	-11.8	-0.5	3.1	2.9	0.5	-0.9	-0.9	-0.2
Stone-Clay-Glass	8.4	8.4	8.4	8.4	8.4	8.4	8.3	8.3
% Ch	-0.7	0.7	-3.0	0.2	0.3	-0.3	-0.5	-0.4
Primary Metals	7.9	7.6	7.7	7.6	7.6	7.6	7.6	7.6
% Ch	-10.5	-13.1	2.5	-1.0	-2.8	-1.6	0.8	3.6
Fabricated Metals	13.8	13.7	13.8	13.9	13.9	14.0	14.0	14.1
% Ch	-0.8	-3.0	3.3	2.4	2.1	2.0	1.2	0.1
Nonelectrical Machinery	22.0	21.9	21.6	21.4	21.6	21.8	22.1	22.2
% Ch	-15.7	-2.5	-4.6	-4.7	4.6	4.1	3.9	3.3
Electrical Machinery	16.3	16.0	16.2	16.3	16.4	16.5	16.8	17.2
% Ch	-20.3	-7.6	4.6	3.9	2.2	3.1	7.0	9.6
Aerospace	79.5	74.9	71.0	68.5	67.4	65.5	65.0	64.7
% Ch	-26.4	-21.1	-19.3	-13.5	-6.4	-10.5	-3.1	-2.0
Other Trans. Equip.	12.5	12.9	12.9	12.9	13.0	13.0	13.0	13.1
% Ch	-4.9	11.3	0.6	1.5	1.2	1.1	1.1	0.7
Instruments	14.0	14.0	14.1	14.2	14.3	14.4	14.4	14.4
% Ch	-5.4	0.1	2.9	3.3	2.0	2.4	1.2	0.8
Other Durables	8.2	8.4	8.5	8.5	8.6	8.6	8.7	8.7
% Ch	2.4	6.4	4.5	3.9	2.8	2.4	2.0	1.7
Nonmanufacturing	2,335.7	2,329.2	2,336.0	2,348.4	2,360.3	2,371.4	2,382.8	2,399.2
% Ch	-0.3	-1.1	1.2	2.1	2.1	1.9	1.9	2.8
Mining	3.3	3.3	3.2	3.3	3.3	3.3	3.4	3.4
% Ch	-12.5	0.5	-2.6	3.9	4.9	3.9	3.0	3.2
Construction	148.6	144.2	143.9	144.8	145.7	146.5	147.5	148.5
% Ch	-6.3	-11.2	-0.9	2.4	2.5	2.3	2.7	2.9
Trans., Comm. and Utilities	139.9	138.0	139.2	140.7	142.1	143.4	144.7	146.3
% Ch	-5.9	-5.3	3.5	4.5	3.9	3.6	3.8	4.5
Wholesale Trade	140.0	138.3	138.0	138.7	139.4	140.2	141.0	142.0
% Ch	-3.7	-4.7	-0.8	2.0	1.9	2.3	2.5	2.7
Retail Trade	485.5	484.2	482.8	484.5	485.6	486.6	486.6	489.2
% Ch	2.8	-1.1	-1.2	1.4	0.9	0.8	0.0	2.1
Finance-Insurance-Real Estate	143.3	143.0	143.1	143.7	144.4	145.2	146.1	147.0
% Ch	1.8	-0.7	0.4	1.5	2.1	2.1	2.5	2.5
Services	761.5	763.0	772.0	780.1	788.1	795.2	802.8	812.2
% Ch	-1.8	0.8	4.8	4.3	4.2	3.6	3.9	4.8
State and Local Government	445.0	446.7	444.9	443.5	442.4	441.6	441.1	440.8
% Ch	3.6	1.6	-1.6	-1.2	-1.0	-0.8	-0.4	-0.2
Federal Government	68.7	68.4	68.8	69.1	69.3	69.5	69.7	69.8
% Ch	0.3	-1.8	2.2	1.7	1.3	1.2	1.0	0.7

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2002 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Wage and Salary Employment	2,725.2	2,745.3	2,763.2	2,781.6	2,797.0	2,811.2	2,825.4	2,839.6
% Ch	2.6	3.0	2.6	2.7	2.2	2.1	2.0	2.0
Manufacturing	310.2	312.3	314.6	317.1	319.6	322.1	324.6	327.0
% Ch	2.3	2.8	2.9	3.3	3.2	3.2	3.1	3.0
Nondurable Manufacturing	101.6	101.9	102.3	102.8	103.3	103.8	104.3	104.7
% Ch	0.8	1.1	1.5	2.0	2.0	2.2	1.8	1.5
Food and Kindred Products	39.5	39.6	39.8	40.0	40.2	40.4	40.6	40.7
% Ch	0.7	1.4	1.7	1.6	2.0	2.6	1.9	1.3
Pulp and Paper	14.0	14.0	13.9	13.9	13.9	13.9	13.9	13.9
% Ch	-0.9	-0.7	-0.6	-0.4	-0.4	-0.2	-0.2	-0.4
Apparel	7.0	6.9	6.9	6.9	6.9	6.9	6.9	6.9
% Ch	-0.7	-1.1	-1.6	-0.7	0.0	-0.5	-1.0	-0.9
Printing	23.2	23.3	23.5	23.8	24.1	24.3	24.5	24.8
% Ch	2.8	2.7	3.4	5.2	4.2	4.0	3.9	3.9
Chemicals	5.9	5.9	5.9	6.0	6.0	6.0	6.1	6.1
% Ch	1.5	1.7	2.3	3.4	2.9	2.9	2.8	2.6
Other Nondurables	12.1	12.1	12.2	12.2	12.2	12.2	12.3	12.3
% Ch	-0.2	0.3	0.7	1.0	1.0	0.8	0.8	0.7
Durable Manufacturing	208.6	210.5	212.3	214.3	216.3	218.3	220.3	222.3
% Ch	3.0	3.6	3.5	3.9	3.7	3.7	3.7	3.6
Lumber and Wood	32.6	32.8	33.0	33.3	33.5	33.7	33.9	34.1
% Ch	3.6	3.0	2.6	3.6	2.8	2.1	1.9	2.0
Furniture	4.4	4.5	4.5	4.5	4.5	4.6	4.6	4.6
% Ch	0.2	1.3	1.9	2.3	2.2	1.8	1.5	1.0
Stone-Clay-Glass	8.3	8.4	8.4	8.4	8.5	8.5	8.5	8.6
% Ch	0.1	0.8	1.2	1.7	2.0	2.1	1.8	1.2
Primary Metals	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
% Ch	3.3	1.1	-0.1	-0.2	-0.4	-0.2	-0.1	-0.2
Fabricated Metals	14.1	14.1	14.1	14.2	14.3	14.4	14.5	14.5
% Ch	0.1	0.3	1.2	2.3	2.6	2.8	2.6	2.1
Nonelectrical Machinery	22.4	22.6	22.8	23.0	23.2	23.5	23.7	23.9
% Ch	3.2	3.4	3.5	3.8	3.9	3.9	3.9	3.4
Electrical Machinery	17.6	17.8	18.1	18.3	18.5	18.8	19.1	19.4
% Ch	8.4	6.4	5.0	5.5	5.3	6.0	6.7	7.0
Aerospace	65.2	66.2	67.2	68.2	69.2	70.2	71.3	72.4
% Ch	3.2	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Other Trans. Equip.	13.1	13.1	13.2	13.2	13.2	13.2	13.2	13.2
% Ch	0.9	0.9	0.9	0.9	0.5	0.4	0.4	0.4
Instruments	14.5	14.5	14.6	14.6	14.6	14.7	14.7	14.7
% Ch	1.3	0.9	1.1	1.3	0.9	1.0	1.0	0.7
Other Durables	8.8	8.8	8.9	8.9	9.0	9.1	9.1	9.2
% Ch	2.2	2.4	2.7	2.9	2.9	2.9	2.9	2.7
Nonmanufacturing	2,415.0	2,433.0	2,448.7	2,464.5	2,477.4	2,489.1	2,500.7	2,512.6
% Ch	2.7	3.0	2.6	2.6	2.1	1.9	1.9	1.9
Mining	3.4	3.5	3.5	3.5	3.6	3.6	3.6	3.6
% Ch	3.9	4.3	4.3	4.2	3.5	2.7	2.5	2.4
Construction	150.0	151.5	153.1	154.7	156.3	157.8	159.1	160.2
% Ch	4.0	4.0	4.4	4.2	4.4	3.9	3.2	2.7
Trans., Comm. and Utilities	148.0	149.7	151.4	153.1	154.1	155.1	156.0	157.0
% Ch	4.5	4.9	4.5	4.5	2.7	2.5	2.5	2.5
Wholesale Trade	143.0	144.1	145.4	146.6	147.4	148.1	148.7	149.2
% Ch	2.9	3.3	3.5	3.5	2.1	1.8	1.7	1.5
Retail Trade	490.7	493.6	495.3	497.4	499.0	500.6	501.9	503.4
% Ch	1.3	2.3	1.4	1.8	1.3	1.3	1.1	1.2
Finance-Insurance-Real Estate	148.2	149.2	150.3	151.3	152.4	153.4	154.3	155.1
% Ch	3.2	3.0	2.9	2.8	2.8	2.5	2.4	2.3
Services	820.2	829.1	836.8	844.3	850.4	855.7	861.5	867.7
% Ch	4.0	4.4	3.8	3.6	2.9	2.5	2.8	2.9
State and Local Government	441.6	442.3	442.8	443.3	444.0	444.5	445.1	445.8
% Ch	0.8	0.6	0.5	0.5	0.6	0.5	0.6	0.6
Federal Government	69.9	70.0	70.0	70.1	70.2	70.3	70.4	70.5
% Ch	0.5	0.5	0.4	0.5	0.5	0.5	0.6	0.6

Table A3.1
U.S. Personal Income by Component
 Forecast 2002 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Personal Income	7,426.0	7,777.3	8,319.2	8,723.5	9,014.3	9,545.6	10,132.8	10,665.5
% Ch	7.0	4.7	7.0	4.9	3.3	5.9	6.2	5.3
Total Wage and Salary Disbursements	4,192.8	4,472.2	4,837.2	5,098.2	5,234.3	5,546.4	5,883.9	6,199.0
% Ch	7.8	6.7	8.2	5.4	2.7	6.0	6.1	5.4
Nonwage Personal Income	3,233.2	3,305.0	3,482.0	3,625.3	3,780.0	3,999.2	4,248.9	4,466.5
% Ch	6.1	2.2	5.4	4.1	4.3	5.8	6.2	5.1
Other Labor Income	490.6	509.7	534.2	553.8	572.1	595.0	624.2	654.3
% Ch	3.2	3.9	4.8	3.7	3.3	4.0	4.9	4.8
Proprietor's Income	623.8	672.0	715.0	743.5	775.8	834.6	866.1	898.7
% Ch	7.3	7.7	6.4	4.0	4.3	7.6	3.8	3.8
Farm	25.6	26.6	30.6	27.6	26.2	29.3	30.5	30.6
% Ch	-13.9	3.8	15.1	-9.8	-5.0	11.6	4.2	0.3
Nonfarm	598.2	645.4	684.4	715.9	749.6	805.3	835.6	868.1
% Ch	8.5	7.9	6.0	4.6	4.7	7.4	3.8	3.9
Less: Pers Cont. For Social Ins.	316.3	337.1	357.7	373.3	381.4	402.7	426.4	447.9
% Ch	6.2	6.6	6.1	4.4	2.2	5.6	5.9	5.1
Dividends/Int./Rent	1,451.4	1,440.8	1,521.4	1,552.4	1,570.6	1,661.6	1,801.8	1,891.2
% Ch	9.4	-0.7	5.6	2.0	1.2	5.8	8.4	5.0
Transfer Payments	983.7	1,019.6	1,069.1	1,148.8	1,242.9	1,310.7	1,383.2	1,470.3
% Ch	2.2	3.6	4.9	7.5	8.2	5.5	5.5	6.3

Table A3.2
U.S. Personal Income by Component
 Forecast 2002 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	8,104.4	8,271.0	8,381.5	8,519.6	8,640.2	8,714.6	8,771.8	8,767.2
% Ch	8.6	8.5	5.5	6.8	5.8	3.5	2.7	-0.2
Total Wage and Salary Disbursements	4,701.9	4,797.9	4,875.8	4,973.2	5,049.4	5,099.8	5,123.4	5,120.0
% Ch	10.0	8.4	6.6	8.2	6.3	4.0	1.9	-0.3
Nonwage Personal Income	3,402.6	3,473.1	3,505.8	3,546.5	3,590.7	3,614.8	3,648.4	3,647.1
% Ch	6.6	8.6	3.8	4.7	5.1	2.7	3.8	-0.1
Other Labor Income	523.7	530.1	537.9	544.9	549.3	552.2	555.4	558.5
% Ch	5.6	5.0	6.0	5.3	3.2	2.2	2.3	2.2
Proprietor's Income	697.6	717.9	719.3	725.2	735.2	745.3	752.7	740.8
% Ch	4.6	12.2	0.8	3.3	5.6	5.6	4.0	-6.2
Farm	26.5	32.5	31.6	31.7	29.8	28.7	32.3	19.6
% Ch	4.7	124.3	-9.6	0.9	-21.8	-14.3	59.5	-86.3
Nonfarm	671.0	685.4	687.6	693.5	705.4	716.6	720.5	721.2
% Ch	4.6	8.9	1.3	3.4	7.0	6.5	2.2	0.4
Less: Pers Cont. For Social Ins.	351.3	355.8	359.4	364.1	372.1	374.0	374.2	372.8
% Ch	8.9	5.2	4.1	5.3	9.0	2.1	0.3	-1.5
Dividends/Int./Rent	1,486.3	1,514.6	1,533.4	1,551.5	1,555.3	1,551.9	1,555.4	1,547.0
% Ch	8.5	7.8	5.1	4.8	1.0	-0.9	0.9	-2.2
Transfer Payments	1,046.3	1,066.3	1,074.6	1,089.0	1,123.1	1,139.4	1,159.0	1,173.8
% Ch	6.5	7.9	3.2	5.5	13.1	5.9	7.1	5.2

Table A3.2
U.S. Personal Income by Component
 Forecast 2002 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	8,877.9	8,945.2	9,052.1	9,182.0	9,340.3	9,478.9	9,613.7	9,749.3
% Ch	5.1	3.1	4.9	5.9	7.1	6.1	5.8	5.8
Total Wage and Salary Disbursements	5,151.8	5,193.6	5,257.5	5,334.4	5,427.9	5,505.4	5,584.3	5,667.8
% Ch	2.5	3.3	5.0	6.0	7.2	5.8	5.9	6.1
Nonwage Personal Income	3,726.1	3,751.6	3,794.6	3,847.6	3,912.4	3,973.5	4,029.4	4,081.5
% Ch	8.9	2.8	4.7	5.7	6.9	6.4	5.7	5.3
Other Labor Income	567.6	572.1	571.9	576.6	584.0	591.0	598.6	606.6
% Ch	6.7	3.2	-0.1	3.3	5.2	4.9	5.3	5.4
Proprietor's Income	760.6	767.5	779.1	795.9	816.3	832.1	842.8	847.2
% Ch	11.2	3.7	6.1	9.0	10.6	7.9	5.3	2.1
Farm	26.1	27.5	26.0	25.3	27.6	29.5	31.4	28.7
% Ch	212.0	23.0	-19.3	-10.3	40.4	30.4	28.6	-30.2
Nonfarm	734.6	740.1	753.0	770.6	788.7	802.6	811.4	818.5
% Ch	7.6	3.0	7.2	9.7	9.7	7.2	4.5	3.6
Less: Pers Cont. For Social Ins.	379.3	378.6	381.6	386.0	394.5	399.8	405.2	411.5
% Ch	7.1	-0.6	3.1	4.8	9.0	5.5	5.5	6.3
Dividends/Int./Rent	1,561.9	1,554.2	1,572.3	1,593.9	1,615.9	1,644.8	1,676.2	1,709.5
% Ch	3.9	-2.0	4.8	5.6	5.6	7.3	7.9	8.2
Transfer Payments	1,215.2	1,236.4	1,252.8	1,267.1	1,290.6	1,305.5	1,317.1	1,329.7
% Ch	14.9	7.2	5.4	4.7	7.6	4.7	3.6	3.9

Table A3.2
U.S. Personal Income by Component
 Forecast 2002 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	9,916.9	10,065.1	10,206.6	10,342.6	10,475.5	10,606.4	10,728.4	10,851.8
% Ch	7.1	6.1	5.7	5.4	5.2	5.1	4.7	4.7
Total Wage and Salary Disbursements	5,759.2	5,843.6	5,924.1	6,008.7	6,093.0	6,163.9	6,234.0	6,305.2
% Ch	6.6	6.0	5.6	5.8	5.7	4.7	4.6	4.7
Nonwage Personal Income	4,157.7	4,221.5	4,282.5	4,333.9	4,382.5	4,442.5	4,494.4	4,546.5
% Ch	7.7	6.3	5.9	4.9	4.6	5.6	4.8	4.7
Other Labor Income	615.0	619.1	627.3	635.4	643.8	651.1	657.7	664.6
% Ch	5.7	2.7	5.3	5.3	5.4	4.6	4.1	4.3
Proprietor's Income	855.0	862.9	870.7	875.9	884.9	894.9	903.8	911.1
% Ch	3.7	3.7	3.6	2.4	4.2	4.6	4.1	3.2
Farm	28.1	30.2	32.9	30.9	30.5	31.6	31.7	28.6
% Ch	-8.0	33.2	40.7	-21.9	-5.5	16.2	0.3	-32.9
Nonfarm	827.0	832.7	837.8	845.0	854.4	863.2	872.2	882.4
% Ch	4.2	2.8	2.5	3.5	4.5	4.2	4.2	4.8
Less: Pers Cont. for Social Ins.	417.8	423.6	429.2	435.0	440.8	445.6	450.3	455.1
% Ch	6.3	5.7	5.3	5.5	5.4	4.4	4.3	4.4
Dividends/Int./Rent	1,747.8	1,788.8	1,822.0	1,848.8	1,853.7	1,881.7	1,903.1	1,926.2
% Ch	9.3	9.7	7.6	6.0	1.1	6.2	4.6	5.0
Transfer Payments	1,357.6	1,374.3	1,391.8	1,408.9	1,440.9	1,460.4	1,480.1	1,499.7
% Ch	8.7	5.0	5.2	5.0	9.4	5.5	5.5	5.4

Table A3.3
Washington Personal Income by Component
 Forecast 2002 to 2005

	1998	1999	2000	2001	2002	2003	2004	2005
Personal Income	163.192	174.221	184.518	188.092	189.489	199.981	212.425	224.964
% Ch	8.6	6.8	5.9	1.9	0.7	5.5	6.2	5.9
Total Wage and Salary Disbursements	94.322	103.820	109.997	110.723	108.569	114.402	121.328	128.832
% Ch	10.5	10.1	6.0	0.7	-1.9	5.4	6.1	6.2
Manufacturing	16.218	16.410	16.755	16.434	15.203	15.597	16.507	17.725
% Ch	5.9	1.2	2.1	-1.9	-7.5	2.6	5.8	7.4
Nondurable Manufacturing	3.800	4.062	4.442	4.144	4.063	4.289	4.495	4.762
% Ch	1.8	6.9	9.4	-6.7	-2.0	5.6	4.8	5.9
Durable Manufacturing	12.418	12.348	12.313	12.290	11.140	11.308	12.012	12.963
% Ch	7.2	-0.6	-0.3	-0.2	-9.4	1.5	6.2	7.9
Nonmanufacturing	74.587	83.636	89.379	90.152	88.834	93.982	99.741	105.774
% Ch	12.1	12.1	6.9	0.9	-1.5	5.8	6.1	6.0
Other Private Wages	0.775	0.893	0.927	0.988	1.024	1.089	1.167	1.246
% Ch	4.6	15.2	3.8	6.6	3.7	6.3	7.2	6.7
Farm Wages	0.876	0.984	0.961	1.050	1.158	1.205	1.259	1.314
% Ch	3.2	12.3	-2.3	9.2	10.3	4.1	4.5	4.3
Military Wages	1.865	1.898	1.975	2.099	2.349	2.528	2.654	2.773
% Ch	-3.8	1.8	4.1	6.3	11.9	7.6	5.0	4.5
Nonwage Personal Income	68.870	70.401	74.520	77.369	80.920	85.579	91.097	96.133
% Ch	6.3	2.2	5.9	3.8	4.6	5.8	6.4	5.5
Other Labor Income	10.549	10.997	11.357	11.722	12.017	12.325	12.878	13.555
% Ch	3.5	4.2	3.3	3.2	2.5	2.6	4.5	5.3
Proprietor's Income	12.505	13.286	14.192	14.510	15.357	16.547	17.237	18.027
% Ch	7.0	6.2	6.8	2.2	5.8	7.7	4.2	4.6
Farm	0.519	0.062	0.370	0.171	0.424	0.584	0.655	0.679
% Ch	11.0	-88.1	502.0	-53.9	148.3	37.8	12.1	3.6
Nonfarm	11.985	13.224	13.822	14.340	14.933	15.962	16.582	17.348
% Ch	6.8	10.3	4.5	3.7	4.1	6.9	3.9	4.6
Less: Pers. Cont. for Social Ins.	7.214	7.909	8.226	8.441	8.551	8.936	9.450	9.998
% Ch	8.7	9.6	4.0	2.6	1.3	4.5	5.8	5.8
Plus: Residence Adjustment	1.723	2.046	2.391	2.422	2.447	2.554	2.667	2.783
% Ch	4.8	18.7	16.9	1.3	1.0	4.4	4.4	4.4
Dividends/Int./Rent	31.714	31.415	33.122	33.658	34.002	36.038	39.214	41.374
% Ch	9.8	-0.9	5.4	1.6	1.0	6.0	8.8	5.5
Transfer Payments	19.596	20.567	21.684	23.497	25.648	27.051	28.551	30.391
% Ch	2.9	5.0	5.4	8.4	9.2	5.5	5.5	6.4
State U.I. Benefits	0.816	0.947	0.938	1.052	1.599	1.471	1.431	1.415
% Ch	12.9	16.1	-0.9	12.2	51.9	-8.0	-2.8	-1.1
Other Transfers	18.780	19.620	20.745	22.445	24.050	25.580	27.121	28.976
% Ch	2.5	4.5	5.7	8.2	7.1	6.4	6.0	6.8

Table A3.4
Washington Personal Income by Component
 Forecast 2002 to 2005

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	183.308	183.602	183.707	187.454	186.414	190.797	188.502	186.655
% Ch	5.9	0.6	0.2	8.4	-2.2	9.7	-4.7	-3.9
Total Wage and Salary Disbursements	110.524	109.450	108.508	111.508	109.705	113.772	110.685	108.731
% Ch	4.1	-3.8	-3.4	11.5	-6.3	15.7	-10.4	-6.9
Manufacturing	16.571	16.471	16.741	17.238	17.369	16.495	16.194	15.678
% Ch	4.6	-2.4	6.7	12.4	3.1	-18.7	-7.1	-12.1
Nondurable Manufacturing	4.907	4.184	4.456	4.221	4.216	4.212	4.135	4.013
% Ch	83.5	-47.1	28.7	-19.5	-0.4	-0.4	-7.1	-11.3
Durable Manufacturing	11.664	12.287	12.285	13.017	13.152	12.283	12.059	11.665
% Ch	-15.7	23.1	-0.1	26.1	4.2	-23.9	-7.1	-12.4
Nonmanufacturing	90.120	89.122	87.874	90.400	88.308	93.242	90.294	88.765
% Ch	4.0	-4.4	-5.5	12.0	-8.9	24.3	-12.1	-6.6
Other Private Wages	0.910	0.946	0.933	0.919	0.993	0.945	1.024	0.989
% Ch	-3.0	16.8	-5.4	-5.9	36.5	-18.3	38.1	-13.0
Farm Wages	0.970	0.967	0.959	0.949	0.978	1.026	1.074	1.122
% Ch	-4.8	-1.2	-3.3	-4.1	12.8	21.1	20.1	19.1
Military Wages	1.953	1.944	2.001	2.002	2.057	2.064	2.099	2.176
% Ch	14.5	-1.8	12.3	0.2	11.5	1.4	7.0	15.5
Nonwage Personal Income	72.784	74.151	75.198	75.947	76.709	77.025	77.817	77.924
% Ch	8.6	7.7	5.8	4.0	4.1	1.7	4.2	0.6
Other Labor Income	11.316	11.258	11.287	11.566	11.404	11.838	11.805	11.840
% Ch	1.4	-2.0	1.0	10.3	-5.5	16.1	-1.1	1.2
Proprietor's Income	13.995	14.113	14.328	14.334	14.301	14.477	14.638	14.626
% Ch	8.7	3.4	6.2	0.2	-0.9	5.0	4.5	-0.3
Farm	0.369	0.286	0.478	0.348	0.137	0.146	0.197	0.203
% Ch	21,728.3	-63.9	680.3	-71.9	-97.6	29.0	231.5	12.8
Nonfarm	13.626	13.827	13.849	13.987	14.164	14.331	14.441	14.423
% Ch	0.5	6.0	0.6	4.0	5.2	4.8	3.1	-0.5
Less: Pers. Cont. for Social Ins.	8.329	8.183	8.089	8.301	8.195	8.635	8.501	8.435
% Ch	2.4	-6.8	-4.5	10.9	-5.0	23.3	-6.1	-3.1
Plus: Residence Adjustment	2.280	2.396	2.457	2.430	2.499	2.395	2.403	2.392
% Ch	47.8	22.0	10.6	-4.3	11.9	-15.6	1.3	-1.8
Dividends/Int./Rent	32.357	32.976	33.417	33.737	33.807	33.666	33.712	33.448
% Ch	8.5	7.9	5.5	3.9	0.8	-1.7	0.5	-3.1
Transfer Payments	21.165	21.591	21.799	22.180	22.893	23.284	23.760	24.053
% Ch	6.9	8.3	3.9	7.2	13.5	7.0	8.4	5.0
State U.I. Benefits	0.910	0.888	0.925	1.029	0.997	1.035	1.092	1.085
% Ch	-12.2	-9.3	17.7	53.1	-11.9	16.1	23.9	-2.5
Other Transfers	20.254	20.703	20.874	21.150	21.896	22.249	22.668	22.968
% Ch	7.8	9.2	3.3	5.4	14.9	6.6	7.7	5.4

Table A3.4
Washington Personal Income by Component
 Forecast 2002 to 2005

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	185.931	188.573	190.510	192.941	195.921	198.614	201.367	204.020
% Ch	-1.5	5.8	4.2	5.2	6.3	5.6	5.7	5.4
Total Wage and Salary Disbursements	106.239	108.296	109.227	110.511	112.180	113.609	115.164	116.654
% Ch	-8.9	8.0	3.5	4.8	6.2	5.2	5.6	5.3
Manufacturing	15.322	15.158	15.138	15.194	15.372	15.487	15.681	15.847
% Ch	-8.8	-4.2	-0.5	1.5	4.8	3.0	5.1	4.3
Nondurable Manufacturing	4.014	4.016	4.080	4.142	4.210	4.266	4.321	4.358
% Ch	0.1	0.2	6.5	6.2	6.8	5.5	5.2	3.5
Durable Manufacturing	11.309	11.142	11.058	11.053	11.162	11.221	11.360	11.489
% Ch	-11.7	-5.8	-3.0	-0.2	4.0	2.1	5.1	4.6
Nonmanufacturing	86.473	88.634	89.528	90.702	92.059	93.324	94.634	95.913
% Ch	-9.9	10.4	4.1	5.4	6.1	5.6	5.7	5.5
Other Private Wages	1.003	1.018	1.030	1.045	1.064	1.081	1.098	1.114
% Ch	6.0	6.0	4.9	6.0	7.3	6.5	6.5	6.1
Farm Wages	1.138	1.155	1.164	1.174	1.187	1.199	1.211	1.223
% Ch	6.0	6.0	2.9	3.7	4.5	4.0	4.1	3.9
Military Wages	2.302	2.331	2.367	2.395	2.497	2.518	2.540	2.557
% Ch	25.2	5.1	6.5	4.7	18.2	3.5	3.5	2.7
Nonwage Personal Income	79.692	80.277	81.283	82.429	83.742	85.005	86.203	87.366
% Ch	9.4	3.0	5.1	5.8	6.5	6.2	5.8	5.5
Other Labor Income	12.008	12.035	11.986	12.037	12.146	12.254	12.387	12.513
% Ch	5.8	0.9	-1.6	1.7	3.7	3.6	4.4	4.1
Proprietor's Income	14.998	15.143	15.469	15.820	16.207	16.485	16.690	16.805
% Ch	10.6	3.9	8.9	9.4	10.2	7.0	5.1	2.8
Farm	0.344	0.415	0.453	0.484	0.541	0.576	0.621	0.599
% Ch	723.3	111.9	42.6	29.5	56.7	28.2	35.4	-13.3
Nonfarm	14.654	14.728	15.015	15.336	15.666	15.909	16.069	16.206
% Ch	6.6	2.0	8.0	8.8	8.9	6.4	4.1	3.5
Less: Pers. Cont. for Social Ins.	8.563	8.500	8.534	8.608	8.772	8.876	8.989	9.108
% Ch	6.2	-2.9	1.6	3.5	7.8	4.8	5.2	5.4
Plus: Residence Adjustment	2.409	2.436	2.459	2.485	2.514	2.541	2.567	2.595
% Ch	2.9	4.6	3.7	4.3	4.7	4.3	4.2	4.5
Dividends/Int./Rent	33.795	33.639	34.046	34.526	35.018	35.661	36.362	37.110
% Ch	4.2	-1.8	4.9	5.8	5.8	7.6	8.1	8.5
Transfer Payments	25.044	25.524	25.857	26.169	26.629	26.940	27.186	27.451
% Ch	17.5	7.9	5.3	4.9	7.2	4.8	3.7	4.0
State U.I. Benefits	1.511	1.703	1.635	1.546	1.485	1.475	1.467	1.457
% Ch	276.0	61.2	-15.0	-20.0	-15.0	-2.5	-2.1	-2.8
Other Transfers	23.533	23.822	24.222	24.623	25.144	25.464	25.718	25.994
% Ch	10.2	5.0	6.9	6.8	8.7	5.2	4.0	4.4

Table A3.4
Washington Personal Income by Component
 Forecast 2002 to 2005

	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4
Personal Income	207.603	210.853	214.067	217.176	220.215	223.452	226.526	229.664
% Ch	7.2	6.4	6.2	5.9	5.7	6.0	5.6	5.7
Total Wage and Salary Disbursements	118.576	120.386	122.225	124.124	126.064	127.914	129.745	131.604
% Ch	6.8	6.2	6.3	6.4	6.4	6.0	5.9	5.9
Manufacturing	16.103	16.359	16.633	16.933	17.248	17.568	17.884	18.200
% Ch	6.6	6.5	6.9	7.4	7.6	7.6	7.4	7.3
Nondurable Manufacturing	4.411	4.462	4.520	4.587	4.657	4.730	4.798	4.864
% Ch	5.0	4.7	5.3	6.0	6.3	6.4	5.9	5.6
Durable Manufacturing	11.692	11.897	12.113	12.346	12.591	12.838	13.086	13.336
% Ch	7.2	7.2	7.5	7.9	8.2	8.1	7.9	7.9
Nonmanufacturing	97.469	98.972	100.486	102.034	103.560	105.038	106.503	107.995
% Ch	6.7	6.3	6.3	6.3	6.1	5.8	5.7	5.7
Other Private Wages	1.137	1.157	1.178	1.197	1.216	1.236	1.256	1.275
% Ch	8.4	7.4	7.1	6.8	6.5	6.9	6.4	6.4
Farm Wages	1.238	1.252	1.266	1.280	1.293	1.307	1.321	1.334
% Ch	5.1	4.6	4.5	4.3	4.2	4.4	4.2	4.2
Military Wages	2.628	2.645	2.662	2.679	2.747	2.764	2.782	2.800
% Ch	11.5	2.7	2.6	2.6	10.4	2.6	2.6	2.6
Nonwage Personal Income	89.027	90.467	91.841	93.052	94.151	95.538	96.781	98.060
% Ch	7.8	6.6	6.2	5.4	4.8	6.0	5.3	5.4
Other Labor Income	12.678	12.772	12.947	13.116	13.296	13.474	13.640	13.811
% Ch	5.4	3.0	5.6	5.3	5.6	5.5	5.0	5.1
Proprietor's Income	16.980	17.158	17.329	17.478	17.693	17.921	18.144	18.350
% Ch	4.2	4.3	4.0	3.5	5.0	5.3	5.1	4.6
Farm	0.605	0.647	0.696	0.672	0.673	0.694	0.696	0.652
% Ch	3.6	31.3	33.7	-12.9	0.3	13.1	1.5	-23.2
Nonfarm	16.376	16.511	16.633	16.806	17.020	17.227	17.448	17.698
% Ch	4.3	3.4	3.0	4.2	5.2	5.0	5.2	5.9
Less: Pers. Cont. for Social Ins.	9.249	9.382	9.516	9.655	9.796	9.931	10.064	10.199
% Ch	6.3	5.8	5.9	6.0	6.0	5.6	5.5	5.5
Plus: Residence Adjustment	2.623	2.652	2.682	2.711	2.739	2.769	2.798	2.827
% Ch	4.4	4.5	4.5	4.4	4.3	4.4	4.3	4.2
Dividends/Int./Rent	37.976	38.906	39.672	40.304	40.461	41.132	41.663	42.239
% Ch	9.7	10.2	8.1	6.5	1.6	6.8	5.3	5.7
Transfer Payments	28.019	28.360	28.728	29.098	29.759	30.174	30.601	31.032
% Ch	8.5	5.0	5.3	5.3	9.4	5.7	5.8	5.8
State U.I. Benefits	1.448	1.432	1.424	1.419	1.415	1.413	1.415	1.417
% Ch	-2.6	-4.1	-2.4	-1.4	-1.0	-0.5	0.4	0.6
Other Transfers	26.571	26.928	27.304	27.679	28.343	28.760	29.186	29.615
% Ch	9.2	5.5	5.7	5.6	9.9	6.0	6.1	6.0

Table A4.1
Selected Inflation Indicators
 (Deflator 1996=1.0; CPI 1982-84=1.0)

	Price Deflator*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1965	0.234	1.5	0.315	1.6	0.310	1.1
1966	0.240	2.6	0.325	3.0	0.319	3.0
1967	0.246	2.5	0.334	2.8	0.328	2.9
1968	0.256	3.9	0.348	4.2	0.342	4.1
1969	0.267	4.5	0.367	5.4	0.358	4.8
1970	0.280	4.7	0.388	5.9	0.374	4.5
1971	0.292	4.3	0.405	4.2	0.382	2.1
1972	0.302	3.5	0.418	3.3	0.393	2.9
1973	0.319	5.4	0.444	6.3	0.418	6.4
1974	0.351	10.3	0.493	11.0	0.464	11.0
1975	0.380	8.1	0.538	9.1	0.511	10.2
1976	0.401	5.5	0.569	5.8	0.539	5.5
1977	0.427	6.6	0.606	6.5	0.583	8.0
1978	0.458	7.1	0.652	7.6	0.640	9.9
1979	0.498	8.9	0.726	11.3	0.709	10.8
1980	0.552	10.8	0.824	13.5	0.827	16.7
1981	0.601	8.8	0.909	10.4	0.916	10.8
1982	0.635	5.6	0.965	6.2	0.978	6.7
1983	0.662	4.3	0.996	3.2	0.993	1.5
1984	0.686	3.7	1.039	4.4	1.030	3.8
1985	0.710	3.4	1.076	3.5	1.056	2.5
1986	0.727	2.4	1.097	1.9	1.066	1.0
1987	0.755	3.8	1.136	3.6	1.092	2.4
1988	0.784	3.9	1.183	4.1	1.128	3.3
1989	0.819	4.4	1.239	4.8	1.181	4.7
1990	0.856	4.6	1.307	5.4	1.268	7.3
1991	0.889	3.8	1.362	4.2	1.341	5.8
1992	0.916	3.0	1.403	3.0	1.390	3.7
1993	0.938	2.4	1.445	3.0	1.429	2.8
1994	0.957	2.0	1.482	2.6	1.478	3.4
1995	0.979	2.3	1.524	2.8	1.522	3.0
1996	1.000	2.1	1.569	2.9	1.575	3.4
1997	1.019	1.9	1.605	2.3	1.630	3.5
1998	1.030	1.1	1.630	1.5	1.678	2.9
1999	1.047	1.6	1.666	2.2	1.728	3.0
2000	1.075	2.7	1.722	3.4	1.792	3.7
2001	1.095	1.9	1.771	2.8	1.857	3.6
Forecast						
2002	1.108	1.2	1.800	1.7	1.894	2.0
2003	1.134	2.3	1.847	2.6	1.932	2.0
2004	1.162	2.4	1.896	2.6	1.975	2.2
2005	1.190	2.4	1.945	2.6	2.023	2.4

* Chain-Weight Implicit Price Deflator for Personal Consumption Expenditures

Consumer Price Index for all Urban Consumers

+ Consumer Price Index for the Seattle-Tacoma-Bremerton, WA CMSA

Table A4.2

Chain-Weighted Price Indices

(1996=1.0)

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1965	0.188	2.0	0.236	2.0	0.149	2.3	0.237	3.8
1966	0.193	2.9	0.246	4.2	0.153	2.5	0.243	2.3
1967	0.199	3.0	0.250	1.6	0.158	3.2	0.251	3.3
1968	0.207	4.2	0.259	3.7	0.162	3.0	0.254	1.5
1969	0.217	5.0	0.272	4.9	0.166	2.3	0.263	3.3
1970	0.229	5.3	0.288	6.1	0.173	4.2	0.265	0.9
1971	0.242	5.6	0.297	3.1	0.185	6.7	0.267	0.7
1972	0.252	4.3	0.311	4.5	0.186	0.8	0.270	1.3
1973	0.264	4.6	0.345	10.9	0.213	14.4	0.296	9.6
1974	0.285	7.9	0.393	14.2	0.338	58.3	0.400	35.1
1975	0.308	8.2	0.425	7.9	0.370	9.6	0.427	6.7
1976	0.329	6.8	0.439	3.3	0.395	6.8	0.445	4.2
1977	0.355	7.9	0.466	6.3	0.446	12.8	0.471	5.8
1978	0.383	7.9	0.509	9.1	0.469	5.1	0.491	4.3
1979	0.414	8.2	0.559	10.0	0.628	34.0	0.659	34.0
1980	0.459	10.7	0.608	8.7	0.874	39.2	0.914	38.8
1981	0.506	10.2	0.654	7.6	1.064	21.7	1.017	11.3
1982	0.548	8.4	0.677	3.5	1.052	-1.2	0.966	-5.1
1983	0.583	6.4	0.692	2.1	0.989	-6.0	0.934	-3.3
1984	0.614	5.2	0.715	3.3	1.011	2.3	0.920	-1.5
1985	0.644	4.9	0.729	2.0	0.976	-3.4	0.928	0.8
1986	0.673	4.6	0.750	2.9	0.787	-19.3	0.729	-21.5
1987	0.702	4.3	0.775	3.3	0.788	0.1	0.756	3.8
1988	0.736	4.9	0.801	3.4	0.790	0.3	0.763	0.8
1989	0.771	4.8	0.841	5.0	0.826	4.5	0.833	9.2
1990	0.809	5.0	0.882	4.8	0.986	19.4	0.948	13.8
1991	0.848	4.8	0.912	3.4	0.955	-3.2	0.936	-1.3
1992	0.885	4.3	0.922	1.2	0.921	-3.6	0.933	-0.4
1993	0.916	3.5	0.937	1.5	0.918	-0.3	0.923	-1.0
1994	0.942	2.8	0.952	1.6	0.903	-1.6	0.928	0.5
1995	0.973	3.3	0.973	2.2	0.896	-0.8	0.942	1.6
1996	1.000	2.8	1.000	2.8	1.000	11.6	1.000	6.1
1997	1.031	3.1	1.022	2.2	1.008	0.8	1.000	0.0
1998	1.055	2.3	1.040	1.8	0.915	-9.2	0.871	-12.9
1999	1.078	2.2	1.061	2.0	0.926	1.2	0.948	8.8
2000	1.111	3.1	1.086	2.4	1.293	39.5	1.211	27.8
2001	1.143	2.8	1.119	3.0	1.302	0.7	1.170	-3.4
Forecast								
2002	1.169	2.3	1.145	2.3	1.139	-12.5	1.057	-9.6
2003	1.204	3.0	1.163	1.5	1.184	3.9	1.057	-0.0
2004	1.241	3.1	1.186	2.0	1.203	1.6	1.059	0.2
2005	1.279	3.0	1.210	2.0	1.250	4.0	1.097	3.5

Table A5.1

Total Resident Population and Components of Change*
 (Thousands)

	<u>Population</u>	<u>Change</u>	<u>Percent Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Net Migration</u>
1970	3413.2	16.2	0.5	59.9	30.0	-13.7
1971	3436.3	23.1	0.7	60.0	29.8	-7.1
1972	3430.3	-6.0	-0.2	53.1	30.4	-28.7
1973	3444.3	14.0	0.4	47.7	30.4	-3.3
1974	3508.7	64.4	1.9	48.2	29.9	46.1
1975	3567.9	59.2	1.7	50.1	30.3	39.4
1976	3634.9	67.0	1.9	51.4	30.2	45.8
1977	3715.4	80.5	2.2	54.2	29.1	55.4
1978	3836.2	120.8	3.3	57.3	30.4	93.9
1979	3979.2	143.0	3.7	60.2	30.2	113.0
1980	4132.2	153.0	3.8	65.4	31.3	118.9
1981	4229.3	97.1	2.4	68.2	31.8	60.8
1982	4276.5	47.3	1.1	70.1	31.7	8.9
1983	4307.2	30.7	0.7	69.5	32.5	-6.2
1984	4354.1	46.8	1.1	68.5	33.2	11.6
1985	4415.8	61.7	1.4	69.1	34.0	26.6
1986	4462.2	46.4	1.1	70.2	34.0	10.2
1987	4527.1	64.9	1.5	69.3	34.4	30.0
1988	4616.9	89.8	2.0	71.0	36.0	54.8
1989	4728.1	111.2	2.4	73.0	36.0	74.2
1990	4866.7	138.6	2.9	76.4	36.2	98.5
1991	5021.3	154.6	3.2	79.1	36.6	112.1
1992	5141.2	119.8	2.4	80.2	37.2	76.8
1993	5265.7	124.5	2.4	79.1	39.4	84.8
1994	5364.3	98.6	1.9	78.2	39.5	60.0
1995	5470.1	105.8	2.0	77.5	40.0	68.3
1996	5567.8	97.7	1.8	77.0	41.2	61.8
1997	5663.8	96.0	1.7	78.0	42.6	60.6
1998	5750.0	86.3	1.5	78.8	41.6	49.0
1999	5830.8	80.8	1.4	79.8	43.1	44.2
2000	5894.1	63.3	1.1	79.9	43.7	27.2
2001	5974.9	80.8	1.4	81.4	44.0	43.4
Forecast						
2002	6042.6	67.7	1.1	81.3	45.6	32.0
2003	6100.9	58.2	1.0	82.0	46.1	22.4
2004	6165.7	64.8	1.1	82.7	46.8	29.0
2005	6233.3	67.7	1.1	83.4	47.6	31.8

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

	Actual		Forecast			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total Population	5894.1	5974.9	6042.6	6100.9	6165.7	6233.3
Percent Change	1.1	1.4	1.1	1.0	1.1	1.1
Age 17 and Under	1513.8	1521.3	1525.1	1525.4	1527.2	1532.1
Percent of Total	25.7	25.5	25.2	25.0	24.8	24.6
Age 6-18	1123.3	1129.3	1129.8	1127.9	1126.9	1126.1
Percent of Total	19.1	18.9	18.7	18.5	18.3	18.1
Age 18 and Over	4380.3	4453.6	4517.5	4575.5	4638.4	4701.3
Percent of Total	74.3	74.5	74.8	75.0	75.2	75.4
Age 21 and Over	4128.0	4195.1	4255.8	4311.4	4372.3	4434.0
Percent of Total	70.0	70.2	70.4	70.7	70.9	71.1
Age 20-34	1231.3	1243.2	1254.6	1262.9	1270.9	1273.6
Percent of Total	20.9	20.8	20.8	20.7	20.6	20.4
Age 18-64	3718.1	3783.9	3840.8	3890.2	3944.0	3995.5
Percent of Total	63.1	63.3	63.6	63.8	64.0	64.1
Age 65 and Over	662.1	669.7	676.7	685.3	694.5	705.7
Percent of Total	11.2	11.2	11.2	11.2	11.3	11.3

* As of April 1 of Each Year

Source: Office of Financial Management

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Glossary

Biennium: The state's two years budget cycle. The 1997-1999 biennium started on July 1, 1997 and ends June 30, 1999. The current 1999-2001 biennium started July 1, 1999 and ends June 30, 2001.

Cash Basis: Cash receipts received during a period. The Forecast Council forecasts revenues on a Cash and GAAP (Generally Accepted Accounting Principles) basis.

CPI: The Consumer Price Index for All Urban Consumers. The Bureau of Labor Statistics (BLS) updates the CPI monthly, surveying over 60,000 goods in 85 urban areas. The BLS also produces a bi-monthly Seattle-Tacoma-Bremerton CPI.

Tax Elasticity: A measure of how tax revenues respond to changes in personal income. If tax revenue elasticity is greater than one, a one percent change in personal income will be associated with more than a one percent increase in tax revenues. If elasticity is less than one, a one percent increase in personal income will be associated with less than a one percent increase in tax revenues.

Fiscal Year: The state's budget year. Washington State's fiscal year runs from July 1 through June 30. Fiscal year 1999, for example, ran from July 1, 1998 through June 30, 1999.

GAAP Basis: Generally Accepted Accounting Principles measure revenue in the period during which they accrue rather than the period in which they are received.

General Fund: Accounts for all financial resources and transactions not accounted for in another fund.

General Fund-State Revenue: Resources from state sources only, excludes federal monies.

Implicit Price Deflator for Personal Consumption Expenditures (IPD): The IPD is a by-product of the National Income and Product Accounts. It is derived by dividing current dollar (nominal) consumer expenditures by constant dollar (real) consumer expenditures.

Mortgage Rate: The average interest rate on 25 year conventional loan (as reported by the Federal Home Loan Bank Board).

Non-Wage Income: Personal income other than from wages and salaries. The major components are: proprietor's income, transfer payments, and dividends, interest and rent.

Real GDP: Gross Domestic Production adjusted for the price level.

Personal Income: Income from wages and salaries; other labor income; proprietor's income; dividends, interest and rent; transfer payments; and a residence adjustment. It is reduced by employee contributions for social insurance.

Seasonally Adjusted: Adjusted for normal seasonal variations. Monthly statistics, such as the unemployment rate, are seasonally adjusted to make month-to-month comparisons possible.

Wage and Salary Employment: Civilian nonfarm payroll employees. The self-employed, farm workers, members of the armed forces, private household employees, and workers on strike are excluded.